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A MAGAZINE FOR GOVERNMENT MANAGERS

MANAGEMENT

Volume 1, No. 2 Winter 1980

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Patricia Harris Interview!

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FOREWORD

"A Good Example Is the Best Sermon."

Benjamin Franklin, 1740

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General comments or ideas for future issues **(See page 32)**

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An Interview with Patricia Harris

PHOTOS BY BERNIE YEE

Much has been written since her January 1977 appointment as Secretary of Housing and Urban Development about Patricia Roberts Harris. She was and as HUD Secretary remained the outspoken advocate for the poor, the unrepresented and the people of the nation's cities.

Since August 1979, Mrs. Harris has served as Secretary of Health, Education and Welfare, heading a complex Department ten times as large as HUD, and facing the challenge of reorganization due to the upcoming establishment of a separate Department of Education.

The following interview took place shortly after Mrs. Harris assumed the far reaching responsibilities of administering the Federal Government's largest budget. The subject was management.

Q: As someone who has headed two large agencies, what do you see as common problems for managers?

A: The translation of policy goals into delivery to the ultimate beneficiaries. It's always the management problem, no matter what the institution, to move from a decision that something needs to be done to the implementations of that decision. In government agencies, where the implementation is a long distance from the source of the enunciation of policy, getting into place the machinery for program implementation is very difficult.

Also, there's very little political payoff in effective management in government. The general public is much more likely to pay attention to political statements of a Cabinet officer than they are to notice and reward activity that will guarantee effective program delivery.

Q: One of the things that I always wonder about political appointees is their feelings about making a lasting impression. They are there for a few years and then they leave. Is there a feeling of perhaps frustration about making a lasting impression?

A: Everyone who comes into a political job knows it has a beginning and an end, and the task should be tailored to the reality. That does not mean that there cannot be a lasting contribution. I am convinced that even the most political people would like to have things run well, and if more attention were paid to putting into place politically neutral processes for administering programs, the people who disagree with the program being implemented might be persuaded to utilize the politically neutral process. However, as I've said, there is very little political hay to be made from putting into place good administrative processes, because they're hard to describe. We think that we had excellent management devices that we put into place at HUD, but we could not get anybody in the media to report what we did, what the management process was, and what it was that made it possible for the Secretary to be able, at nine o'clock in the morning, to say, "What is the performance of Region 4 with respect to housing starts?" and be reasonably certain that, certainly by the close of business the following day, there would be an accurate report—that there might very well be a report that day, maybe within minutes.

Q: How did you get this more responsive kind of information?

A: We didn't start with data systems, interestingly enough. We started with a notion that I insisted was not a romantic notion—that you can establish goals in terms of the end user of whatever it is government is providing; you can make the field responsive, and you can have a reporting system to do it. I said to the under-secretary that this was what I wanted to do, and he and I put into place, first of all, a system that would quantify our goals: We have this much money for housing. Some of the money is for existing housing support. How many units will this buy? How are we going to allocate this by region? At what point do we expect each region to spend what amount of money? And we gave the plan very formal processing. First of all, the goal setting was not something that was done by the Secretary's office. It was done in consultation with all of our line managers, who told us what they expected to have done. If it wasn't what we thought could be done, given the resources we had, we went back and said, "Why can't you do this?" Then we sent out plans to the field, and the field always screamed, "We can't do this, we don't have enough time, we don't have enough resources." And then we agreed, one way or the other, even if the ultimate agreement was that when the regions said, "We can't do that many," I said, "There's no reason why you can't meet our goals. You have enough staff; you have enough money; you can do it."

The operating plan went out in October or November and everybody, every month, was required to report to the under-secretary at a regular monthly meeting on performance in each region.

We found out where the system was breaking down. We did that with equal opportunity complaints, where we found that not only were the regions not meeting their goals, but also the backlog was getting bigger and bigger. And this pointed out some much deeper problems in that area that resulted in a total reorganization of the whole equal opportunity area. It also led us to put in certain kinds of remedial management tools to clean up the equal opportunity backlog and to get them on a more current basis, which they're now on. They're also implementing a new program to prevent the backlog happening again. So the system is self-reinforcing by requiring regular reports in terms of goals that are clear to everybody—everybody knows what the goals are and participated in their enunciation, even if they didn't agree with them. This system worked at HUD very, very well; it was a management tool for the Washington managers, was a management tool for the regional people, and, what made us happy was, even though we didn't ask for it, we found our regional people were having what we called "baby EMRs"—baby executive management review sessions in the field—when the regional offices called in their local people to go over their performance. So it *really* worked.

Q: Do you have some mixed emotions about leaving HUD, now that the system is in place?

A: Well, I was sorry to leave, because we had things moving, and I could pick up the phone and find out where we were. What I alluded to earlier and didn't fully develop was that after we got into the system—we had set the goals—we discovered that our information system did not give us the information that we needed to help our managers understand what was going on. So we

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started changing the data system so that we put into the data system not just what people in Washington want to know for statistical purposes, but what is necessary to know in order to manage in the field. So that the manager in the field, if he wants to know how many FHA loans have been underwritten, can play it out on the same machine, with the same data base he is sending that information into Washington on, so that the material is utilized by the local manager, but it also feeds into Washington data systems. It was a great day when we finally got that coordination working.

Q: And now you start again. How do you go about establishing priorities for something so large as HEW?

A: Well, it seems to me that priorities for HEW have been established by the Congress through the funding process. What does not yet exist at HEW is a system that tells people in all parts of HEW what we expect of them. There is a management initiatives tracking system here, but it does not attempt to identify and quantify the goals of the Department. There is no operating plan here, such as the operating plan that HUD has. HUD knows now, on the basis of the appropriations, what they expect to do next year. The plan will not be final until the House and Senate have signed off on the final appropriations and authorizations bills and the President has signed the bills, but we pretty much know where they are now, and I'm sure that HUD is moving along on the operating plan. That is not the case at HEW. Whether or not we will be able to get an operating plan in place soon is of concern to me.

Q: How do you maintain communication within your agency?

A: I telephone. I keep telling people here, because apparently they've forgotten, that the telephone exists, and if all else fails, pick up the telephone. Then, if that fails, walk into the office. We discovered that when that is said and is really meant, a lot of the griping and grumbling about lack of access suddenly disappears.

Q: So you don't feel cut off?

A: I'm not going to say that I don't feel cut off yet, I don't know. But the cut-off doesn't occur here, and I intend to see to it that if there is an attempt to cut off there, that that ends very soon. I have talked to two or three people, I think, who were surprised to get a telephone call. But I'm not one who believes in overriding a manager and saying to a third echelon person, "Do this for me." I would call the head of the area and say, "Would you get this done," and expect him to go through the process, because I want him or her to have to check whether it was done. Now there are some people who think that communication is Jack Kennedy picking up the phone and calling the GS–9 at the Department of Justice. That's great for the GS–9 because he just talked to the President. It is hell for his supervisor who doesn't know anything about it and doesn't know that the President is expecting a response.

Q: How would you characterize your management style?

A: As compared to what?

Q: In terms of delegating. How much detail work do you get involved in? How do you decide what you would delegate or not?

A: I think I'm very good at delegating, but I've come to the conclusion that I don't know what most people consider delegation. After we've decided to do something, I tell somebody, "Go do it," and I don't look over anybody's shoulder unless it's something about which I am very, very nervous. For example, my public affairs advisor does his thing—the whole public information area is delegated to him. He has a sense of something that I would be concerned about knowing about, and he'll come in and say, "I think you ought to know this." This is the way I like people who work with me to operate. I try only to work with people in whom I have full confidence.

But everybody understands that if it's something that concerns me, I will pick up the phone and ask a question and may say, "Don't do anything on this until you check with me; I want to know about that before there's any decision made on it." On some things, especially where there is new policy, I don't delegate any basic policy decisions. I delegate most management activities . . . that is, most implementing ac-

tivities . . . unless they're in areas where I think there are good reasons for me to be involved.

Let me give you an example from HUD, rather than from here. When I got to HUD, I discovered that there had developed a pattern of destruction of public housing projects across the country. The most famous one was Pruitt-Igoe, in St. Louis, which I think was not structurally that bad. I made a policy decision that no structurally sound buildings, and no buildings that could be rehabilitated for decent, safe and sanitary housing purposes at less cost than new construction, could be demolished, and that there was to be a test of every request for demolition of public housing. That was a policy decision, but I knew the push to get rid of public housing, and I required for almost two years that every request for demolition of a public housing unit in the United States be personally approved by me. That was because I did not want there to be any doubt about the standards that were to be applied for demolition.

It probably was not wise to do that. If I approved demolitions, if there had been a political problem, every decision was traceable to me—but deliberately. I think I was right on that because the implementation determined what the policy was, not the other way around, and I expect to do that whenever I see that such personal attention is necessary. And there were other things where I required not only that the policy decision be made at my desk, which was almost everything, but also said to be sure that this policy is implemented in a way consistent with the intent. I do not delegate authority to implement this policy, I expect it to come up here. I didn't do that very often, but I did it when it appeared necessary, and I will continue to reserve the right to look at detail, even of management, if the detail is important in the implementation of policy.

Q: Some of our readers are political appointees and some of them are career civil servants. I was wondering if you had impressions about the way these people work together. And, do you have any general impressions about whether career people are susceptible to change?

A: I think good people are always susceptible to change for the better and that people of questionable quality are very uncomfortable about change. Some of the people on whom I most relied at HUD were career people. Despite that, I believe there must be a significant number of people who are in office because they come with the administration in order to make certain that policy is carried out in the administrative process. I would always have top managers who are political appointees. Not political in the sleazy sense, but political in the sense of being responsible to the appointees of the President and to the President himself.

Q: Will flexibilities under the Senior Executive Service, where you can reassign people more easily, help get Government managers to be more responsive?

A: The theory is that it will. The biggest problem is that, given severe limitations on the number of federal employees, the requirement that people be placed in other jobs, rather than discharged, does create enormous managerial and staffing problems. But as for moving people around, it probably will be somewhat easier.

Q: I read that you do not like paper work generally. If that's so, how do you handle it?

A: Well, I haven't really said I don't like paper work; in fact, I always surprise people by appearing to be more bureaucratic than the bureaucracy, because in government I'm always saying to people, "Put that on a piece of paper." I have always operated, every place I've been, not just in government, on the theory I first enunciated in the first job in which I was the boss—I said "We must behave as though we will all be killed together in an automobile accident tomorrow. People will have to come in here without the benefit of our telling them where things are and everything should unfold naturally and normally."

It is not the paper work that I do not like; it is the inability of people to be precise, the inability of people to describe without an excess of verbiage what it is they are trying to describe. I've seen a lot of stuff that could be condensed. But I also don't believe the approach

that says, "Put that on a single sheet of paper," because that assumes that you can get everything on a single piece of paper, and there are some things that can't be put on a single sheet of paper. I say take as much space as you need, but be sure that your attack is precise enough that you're not repeating yourself, so that you're not putting irrelevancies in—but that takes a different kind of talent.

Q: How do you cope with stress? I know you have a job that's very stressful and you probably get frustrated a lot.
A: I yell!

Q: Do you put aside some time . . . deliberately say, "I really need to do this restful thing to just turn my mind off"?
A: There are times that belong to me. I don't say, "I need it." As a matter of course, I take it. I get in here at 7:30 in the morning, and since I have been at HEW I have taken no time off during the day. I go straight through—I spend 15 or 20 minutes having lunch—and come back to my desk and do whatever I have to do, and do not leave before 6:30, sometimes 7:00. So that means a straight block of time in which I am not jogging, I am not playing tennis, I am not schnoozing, I am working the whole time. The only thing I do at home when I don't have something urgent the next day is read my newspapers. I do read at least five newspapers a day and most of them in the evening.

Q: Do you think that people do not have the same respect for government workers that they used to? How can we go about keeping the quality of people coming in high?
A: Well, let me be fair to everybody in this. If you've ever gone in to a government office where people do not care about their jobs, you can understand the resentment of people against government employees. Where the government is callous, uncaring and does not have respect for the people being served, there is justifiable unhappiness with the government employee. Again, we had a chance at HUD to see a remarkable change. People hated HUD when I got there—they really did, just hated it. And then I started. I sent messages that whatever else you do, you must be helpful to the people who deal with us . . . treat people with respect. That went to all of my managers, local office people, area office managers—about 40 percent of whom I hired myself. And I interviewed every single one, three for every job.

That's another way of being sure you get good management on the ground. I spend a lot more time with personnel than most people think managers ought to, but if you believe as I do that the only way to get quality service is to have quality people, you spend a lot of time on it. I started getting letters from people saying, "I've been dealing with the HUD office for five years, for ten years, and it is remarkable how different things are." Those people are not anti-HUD employees; they feel good about those HUD employees. I think that there is a lot of dedicated service that goes on in the Federal government, and I think those of us who are in and out have a duty to acknowledge it where it exists. We also have a duty to take issue with those who do not perform and try to see to it that they don't stay.

Q: Do you think that civil service reform will help with that?
A: Well, I think the evaluation process, the standards for which will be known to both the manager and the managed person, will make it possible to evaluate performance, to help strengthen performance in people who are unwittingly weak, and will make us all, the managers and the people who are managed, conscious of certain standards of performance. In government we haven't been as management conscious as IBM has been . . . as I said, there's no political pay-off in good management, except indirectly. Now there are financial incentives for performing well and money incentives for managing well.

Q: There have been some grumbles that setting up the criteria for performance appraisal is going to take so much time. In your opinion, is it going to be worth it?
A: Oh, certainly.

Q: When you were interviewing all those people, how did you form judgments about them?
A: First of all, I always try never to be the first interviewer and to have

people for whom I have respect, whose judgments and interviewing techniques are good, take a look at the person. After a while, and I've been in a lot of settings, you learn to read resumes. You learn to look at relevant experience, relevant education, interests as revealed there . . . and overlay those on the tasks to be performed on the job. And then you make certain judgments about how past experiences will help the interviewee relate in the context of the job for which he is being considered. You put all those things together—and I always try to get a kind of cross-hatch of opinions—seldom do I make a decision that goes counter to the majority decision of other people who had interviewed the candidate. On a few occasions I did, and always when I gave my reasons, the others said, "Well, we don't think that's that important, but we can understand your decision."

Q: Where do you see the personnel office, which in some places seems to exist by itself and process papers, fitting into management?
A: Well, personnel is a management tool. The selection of personnel is a very complex process. There's the recruitment process, which is just enormous. There is, I think—and ought to be in every personnel operation—the task of making certain that formerly excluded groups are now included in a meaningful way in the recruitment and hiring process. Then the advising process, in terms of what jobs are required, in terms of personnel. All of this is essential to management. But the decision on all of those issues, it seems to me, has to be made by top managers, and those decisions ought not be left to a person who is a personnel person. But the personnel person's recommendation and professional judgment have to be a meaningful part of the ultimate decision, both about the nature of the job and who should fill it.

Q: Do you think that the Ethics law, even as modified, has discouraged people from staying in government careers?
A: It may, for some of us. I've called some parts of it "The Lawyers' Mandatory Unemployment Bill," but I have not really looked at its long-run meaning for lawyers. I am assured by those with whom I have talked that the consequences of the bill for somebody going out into private practice are no greater than the prudent lawyer undertook privately before, and I think this is the case.

Q: What do you consider the most important characteristic of a manager, at any level?
A: I think it is a combination of factors. The first thing is flexibility. Flexibility in both style and attack on problems is the first requirement. Ability to communicate is of major importance. Clarity of instruction is essential so that the people being managed know what is expected. An ability to listen is required in order to hear what is being said back, to see whether or not the message has indeed been comprehended by the people to whom it has been given. And then, an ability to make an objective analysis of the performance of those who are managed. There ought to be a fairness, a fair appraisal, an ability to say even to people one loves, "That was a lousy job," and to say to people one does not like, "That was a great job." One is not required to love everybody one works with, but fairness is required. Lots of other things will help: knowledge of the job . . .

Q: Do you think that management skill is a bag that you can take around with you and just apply, or that the subject matter is wildly important?
A: No, I don't think it's wildly important. I think that all four components I mentioned for people who are able to understand the area with a reasonable amount of study mean that managerial skill is transferrable. Now there are limits to that: one cannot manage a brain operation if one is not a surgeon and has not been trained. But one can manage the hospital and manage the provision of operating rooms and operating equipment, the development of nurses and physicians. So the question is, what is it one is managing and how great the detail of the management. The greater the detail, the more important the specific knowledge is. But if one is managing processes and people at a high level, I think one can learn the subject matter.

—L.G.T.

P·R·O·

The Probationary Period: The Last and Most Important Test.

by Ludwigh Neville

A vital part of the Federal staffing process is evaluation. Evaluation is never more important than during the probationary period, when it must be decided whether or not a new employee should be retained. If at any time during this trial period it is decided that the employee won't be able to meet the established standard of performance, he or she should be separated. If it is decided that he will make a good employee, he should be recommended for continued employment.

Separation of any employee is a distasteful task, but it is one that must be undertaken whenever circumstances warrant. Not only is it more difficult to fire an employee after the probationary period, but an inadequate employee who is not separated during probation could remain on the Government payroll for many years, never bad enough to fire, but always a marginal producer and a problem to subsequent supervisors.

While the probationary period has always been a part of the evaluation process for new employees, the Civil Service Reform Act of 1978 extended trial periods to employees who are promoted to managerial or supervisory positions.

In both instances, the probationary period is a valuable management tool that provides managers with an opportunity to seriously assess employees' ability to perform the jobs for which they were hired, and to remove unsatisfactory performers in a relatively uncomplicated manner. Both kinds of probation are discussed below.

FOR NEW EMPLOYEES

The initial screening of an employee for a Government position is made on the basis of several examining devices, such as written tests, evaluation of experience, interviews, and reference checks. These initial screening processes do not always give a true indication of the employee's ability to perform on the job: experience has shown that a certain number of job applicants do not have the skills or character traits essential for Government although they have already passed the initial screening tests. The probationary period is the last, most important test for Government employment. It is the period during which probationers who do not, or cannot, meet adequate performance standards can be separated without undue formality.

Any employee who is found to be lacking required qualifications may be separated at any time during the probationary year. If an employee who is not satisfactory in the position for which he or she was selected seems able to perform some other job, the supervisor should try to arrange a reassignment. If this is impractical, or if it appears that the employee is unsuitable for any job in the agency, the employee should be separated.

No earlier than the beginning of the 9th month of employment and no later than the end of the 10th month, supervisors must submit a statement certifying that the employee's performance, conduct, and general traits of character have been either satisfactory or unsatisfactory. Each certification must contain a definite recommendation as to whether an employee should be retained beyond the probationary period.

GUIDANCE IN THE PROBATIONARY PERIOD

The employee must be given adequate training and guidance throughout the probationary period. This means that the immediate supervisor or someone else in the organization should:

- Provide orientation early in employment to assure that the new employee fully understands responsibilities, rules, and policies;
- Tell the probationer how he or she fits into the work of the organization;
- Instruct the new employee carefully on each new work assignment;
- Inform the employee of the standards of conduct and performance against which he will be measured;
- Insist that the probationer meet standards within a reasonable time and keep on meeting them;
- Help the employee do so;
- Let the probationer know how well he or she is doing.

B·A·T·

IMPORTANCE OF SOUND EVALUATION

It is only by knowing what is expected and how well his or her duties are being accomplished that a probationer can be expected to reach a satisfactory standard of performance. Such a standard should be based on what can reasonably be achieved by a new employee—not on the performance required of an experienced employee. The new employee should, however, be able to perform within an acceptable range of competency before completing the probationary period. Supervisors and managers may want to work with the personnel office in the development of reasonable standards for positions to which new employees are assigned. Once the standards have been set, they should be given to the employee in writing so there is no opportunity for misunderstanding.

A realistic appraisal by the end of the 10th month requires *more than measuring the employee's performance against the standards which have been set in terms of quality and quantity. It also involves an evaluation of the employee's conduct, attitudes, cooperation, emotional stability, adaptability, initiative, dependability, and appearance.* As far as possible, the evaluation should be based on adequate written records of the employee's work progress, difficulties encountered, adjustments made, and production achieved. This record is particularly valuable if the new employee's supervisor changes during the probationary period. It is essential, not only for the sake of good management, but also for the protection of the merit system and the employee, that supervisors and managers be thorough and impartial in observations of the conduct and performance of the employee and that these observations be fully *documented.*

SEPARATION AND ITS ALTERNATIVES

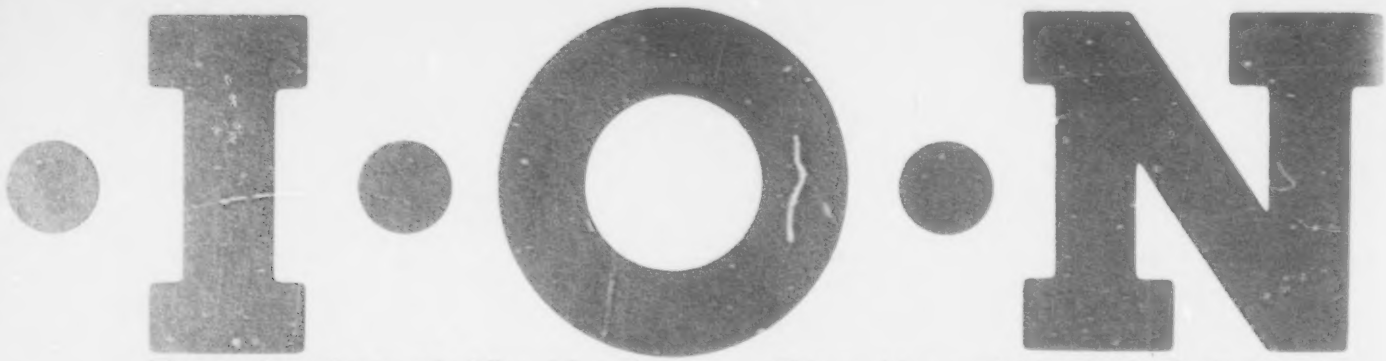
Each new employee represents a considerable investment of time and money. Agencies therefore should try to identify as early as possible the reasons for a probationer's failure to measure up to desired performance standards. If inadequacies result from lack of skills or basic knowledges, the employee should be given as much remedial training as is feasible. When remedial training does not bring performance within acceptable standards, and management still believes than an employee has the potential to become a useful worker, placement in another job at the same or a lower level should be considered as a means of retaining a useful employee.

For example, an employee whose lack of basic skills hampers performance as a clerk-stenographer may be able to function satisfactorily as a clerk-typist, where language skill is less important. A chemist who does not demonstrate the creativity needed in a research job may do very well in a testing job that demands less originality. A probationer who does not handle job contacts well may be fully effective in an "inside" job.

Changes to give a probationer another chance in a less demanding position or one more suited to his abilities should be made early enough to permit careful evaluation before decisions about retention must be made.

It is relatively simple to separate a probationer once it is decided that unacceptable habits and attitudes will not respond to counseling or that remedial training or work change will not result in enough improvement to warrant further investment.

Separations may be based on deficiency in performance of duties, lack of aptitude or cooperation, or any other characteristics which may make an employee unsuitable for public service. They may also be based on some disqualifying preemployment conduct that is not discovered until after the probationer is on the job.



The procedures that must be followed depend on whether preappointment or postappointment factors are the basis of separation. If separation is to be based partially or fully on conduct before employment, the probationer must be given detailed and specific reasons for the action, information regarding the right to reply, consideration of the reply and the decision on it, and information about the right to ask for a Merit Systems Protection Board review of a separation procedure. (The Federal Personnel Manual Chapter 315, Subchapter 8, explains in detail how the procedures should be carried out.)

The situation is quite different when the reason for separation is performance or conduct *during* the probationary period. In this case, the employing agency must notify the probationer in writing of the basis for separation and the effective date of the action. Office of Personnel Management regulations do not give a right to reply or appeal, although an employee alleging discriminatory action by the agency can ask for review by OPM or the Equal Employment Opportunity Commission, as appropriate. Agency regulations may provide for administrative review within the agency. This should be spelled out in agency issuances available to the supervisor.

A supervisor or manager who supervises an unsuitable probationer should not be deterred from taking the proper action just because he or she believes it is hard to separate an employee. He should ask the personnel office for assistance in preparing the letter of dismissal and for specific instructions on other aspects of the probationary period. If the employee is not worth keeping, the procedures for separation during probation are simple and should be used.

FOR NEW MANAGERS AND SUPERVISORS

As of August 11, 1979, all new supervisors and managers in the competitive civil service are subject to a requirement that they complete a probationary period. There are actually two probationary period requirements—one for jobs classified "supervisor," and a separate one for positions designated "managerial" under OPM classification guidelines. However, agencies may exempt employees who have successfully performed as supervisors from serving an additional probationary period for a managerial position. Employees who were serving or had served as managers or supervisors prior to August 11 are not subject to the requirement.

This provision, enacted into law by the Civil Service Reform Act, reflects a recognition of the importance of these jobs. To a great extent, the success or failure of the Government's programs is dependent on the caliber of its managers and supervisors. Yet these individuals require unique skills and abilities which cannot readily be taught or developed in other kinds of positions. There is simply no way to accurately predict whether a highly competent and promising technician will prove to be an equally capable supervisor. The probationary period is intended to bridge this gap between perceived potential and actual performance.

During this period, performance of a new manager or supervisor will be carefully monitored, with emphasis on helping the individual succeed. Appropriate training may be provided as needed and efforts will be made to help correct any difficulties. However, if a full and fair trial period demonstrates that an employee is unsuited to the demands of the position, the law and OPM regulations require that he or she be placed in a nonsupervisory position of no lower grade and pay than the one the employee left to accept the supervisory position. Adverse action procedures do not apply in such a case, and there is no right of appeal to the Merit Systems Protection Board.

The probationary period is not to be used to assess technical ability or program knowledge not directly related to supervisory or managerial performance. Individual agencies may set the length of the probationary period, subject to the proviso that it be of reasonable fixed duration, appropriate to the positon, and uniformly applied. (Most agencies have adopted a one year probationary period for all positions.)

An employee who completes a probationary period may not be required to serve another such probationary period regardless of the number of agencies, occupations, or positions in which he or she serves. ✪

Raleigh Neville is a Personnel Management Specialist in Policy Analysis and Development, Staffing Services, OPM.

"Two Federal Employees Indicted in Bribery Investigation"

How to Avoid Waste, Fraud & Abuse in Your Operations

by Deborah Levine

When a scandal involving Federal workers hits the front page, it is likely to be regarded as an isolated incident. After all, one thinks, one bad apple or two, when you have a Federal work force of nearly three million, is to be expected.

But recent efforts to detect waste, fraud, and error in government indicate that both the potential for and the incidence of fraud are of huge proportions. "Opportunities for defrauding the Government are virtually limitless, owing to the number and variety of Federal programs," warns Elmer B. Staats, head of the Government Accounting Office (GAO). The GAO report to Congress, "Federal Agencies Can, and Should, Do More to Combat Fraud in Government Programs," cites examples of how government programs are exploited through false claims for benefits or services, collusion involving contractors, and bribery or corruption of public employees and officials. Individuals or firms have been charged with deliberately selling the Government materials which did not meet contract standards, with fraudulently issuing and cashing more than $100,000 in checks against a federally funded training program account, and with accepting a $10,000 bribe for processing a $400,000 fraudulent loan application. These examples barely indicate the possibilities.

Current Efforts Government-Wide

A government-wide attack on these problems is currently underway. The Executive Group to Combat Waste and Fraud in Government was created by the President in May 1979 to provide leadership and guidance in the prevention and detection of fraud and waste. At the same time, the President's Management Improvement Council (PMIC) was formed "to support efforts to improve Federal management and program performance." Several Federal agencies, among them the Office of Management and Budget (OMB), are also involved in various efforts to eliminate waste, fraud, and error. OMB's proposals for improving Government's financial management, described at the Eighth Financial Management Conference, give heavy priority to upgrading agencies' internal control systems.

Internal Control: What is it?

Financial managers are perhaps more aware of opportunities to commit fraud because their operations offer the accessibility to cash. OMB and GAO have played leading roles in formulating standardized, effective accounting and auditing systems for financial management. However, waste and fraud are not restricted to financial management divisions: over-time abuses, procurement irregularities, and diversion of government property for private use could occur in any office. Internal management controls are needed to deter and detect these and other kinds of fraud and abuse.

Internal control is accounting terminology for a systematic plan that will promote the economy and efficiency of operations. As a minimum, an effective internal control system must provide for setting standards or objectives, checking on performance, appraising results, and taking corrective action where needed. Internal control can be as simple as a lock on a cabinet door or as complex as a computer program that prevents unauthorized access to other programs.

What Can Internal Control Do For You?

A major purpose of internal control is prevention: If employees, contractors, and program recipients are aware that controls will detect their attempts to defraud the system, controls may act as a deterrent.

Most federal programs and operations already have management control systems in place to prevent and detect fraud, says USDA Inspector General Thomas F. McBride. His experience has been that fraud and abuse often occur when these systems are circumvented or ignored. If managers operate on trust or cut corners in an attempt to save time, McBride suggests that they are taking unnecessary risks.

Although an effective management control system can provide the data and security needed for efficient operation, it cannot eliminate the need for independent audits by agency internal review offices or GAO. A review and full implementation of your existing system could, however, lessen the possibility of adverse findings by independent auditors.

"Probe Continues into Alleged Misuse of Government Property by Federal Employees"

Suggestions

Accounting and auditing skills are not necessary for Federal managers to implement internal controls in their operations. Auditors rely on their interviews, on-site observations, and reviews of available records to prepare their reports—and anyone can use these techniques.

The following elements should be part of your internal control system:

ORGANIZATION—Quality management depends on efficient organization of programs or operations. Responsibilities and duties, for example, should be clearly defined. No one person should control a financial transaction from start to finish. The office or individual responsible for ordering supplies obviously should not also receive and store them, nor authorize payment to the supplier.

POLICIES—Agency policies should be clearly stated in writing. Unclear or unwritten policies can lead to misunderstandings and inconsistent interpretations. Policies must be distributed to employees concerned and provisions made for updating them in a systematic manner.

PROCEDURES—Procedures also must be clear, in written form , and disseminated to all employees. Automatic review of one employee's work by another should be incorporated into procedures. Checks and reviews are inherent in a good control system; they lessen the possibility that error or fraud will go undetected for prolonged periods. Procedures should be made as simple as possible to reduce confusion and promote efficiency and economy.

PERSONNEL—Once you have hired competent people, adequate supervision is your principal control. Recently, agencies were asked by OMB to submit comprehensive plans describing agency efforts to deal with waste, fraud, and error. The State Department plan noted this: "In virtually all cases of employee theft or similar malfeasance (personal use of government property, voucher fraud, violation of franking, etc.), inadequate supervisory control has been a significant contributing factor." The State Department's plan called for better training of supervisors, and for publicizing common problems and disciplinary actions taken.

PLANNING AND REPORTING—Planning is necessary for budget purposes as well as for setting goals for your organization. Operating plans become the standards against which you can measure achievements. Reports should provide information on current activities and progress or accomplishments. Many offices use weekly activity reports that include the hours spent and status of each assignment to furnish an accounting of employees' time. GSA store sales slips signed by the buyer will alert you if unusual amounts or kinds of supplies are being consumed. Telephone logs, auditrons, and copies of requisitions can all be used as reporting data. Cost data should be available from a reporting system so that monthly costs can be compared to the budget. To be most useful, reports should be timely; current estimates may be preferable to a delayed precise accounting.

Where To Go For Help

OPM'S MANAGEMENT SCIENCES TRAINING CENTER offers a course called "Establishing Internal Controls to Avoid Waste, Fraud, and Abuse." Participants learn to identify practices which could contribute to waste, fraud, and abuse, and to prepare a checklist to identify weaknesses and opportunities to improve their existing systems of internal control. (An abbreviated version of the checklist appears with this article.) More information can be obtained from the Management Sciences Training Center (202-632-5600).

OFFICE OF THE INSPECTOR GENERAL—If you need information on establishing controls in your operation or think a potential problem exists, the OIG in your agency can offer assistance or refer to you someone who can. Although the Inspector General's most conspicuous activity is auditing (which has negative connotations for many managers), Inspector General McBride feels that the IG's strengths are in fostering cooperative rather than adversary relationships with management.

THE MONTHLY LIST OF GAO REPORTS may be helpful. It provides a brief sketch of activities audited and major findings of GAO reports published in a given month. Since many agencies have similar programs, you may be able to apply the GAO audit findings and recommendations done in another agency to your own operation. Single copies of individual reports can be obtained free of charge. You can subscribe to *The Monthly List of GAO Reports* at no cost by calling GAO's Publications Office (202-275-5117).

Deborah Levine, a Compensation Intern, wrote this article while on assignment to Training Information Branch, WED, OPM.

A SIMPLIFIED CHECKLIST FOR INTERNAL CONTROL

General

1. *Does the agency have a formal plan under which management responsibilities are clearly defined, reasonably aligned, and adequately documented by an up-to-date organization chart?*
2. *Are written policies and procedures readily available to all employees?*
3. *Are duties separated so that no single individual can control a series of related transactions from beginning to end?*
4. *At a minimum, are managers and supervisors offered training in the budget process, the personnel process, and the procurement process?*

Procurement

1. *Have the agency's procurement policies and procedures been spelled out in a manual?*
2. *Have managers and supervisors been told where and with whom the manual for their respective units is kept?*
3. *Does the procurement office have an established communications system to inform the requesting offices on:*
   a. *The lead time required for processing actions?*
   b. *The approvals required for different types of procurement?*
4. *Does the procurement office consolidate individual purchase requests from different offices to save money and avoid excess inventories?*
5. *Are procurement requests screened by the property office to see whether the agency can use existing items rather than buy new ones?*
6. *Is the receipt and inspection function separated from the ordering and payment functions?*

Personnel

1. *Are new employees given an orientation?*
2. *Are time and attendance cards:*
   a. *Maintained only in the custody of an approved time and attendance clerk?*
   b. *Approved by the supervisor?*
3. *Are work reports:*
   a. *Sufficiently detailed to show time charges to assignments, leave, and administration?*
   b. *Reconciled with time and attendance cards?*
4. *Are hours reported for overtime pay periodically compared to an external record (e.g. a security station "In & Out" log)?*
5. *Are floor checks conducted periodically?*
6. *Do supervisors give employees assignments with deadlines so that their performance and progress can be monitored?*
7. *Do supervisors give employees assignments having no rigid deadline, which the employee can work on when there is a slow-down in tightly scheduled work?*

Travel

1. *Are agency travel policies and procedures in writing?*
2. *Are travel claims and vouchers prepared in ink or typed?*
3. *Are transportation arrangements made or approved by a responsible individual other than the traveler?*
4. *Is use of government-owned cars prohibited for other than official business?*

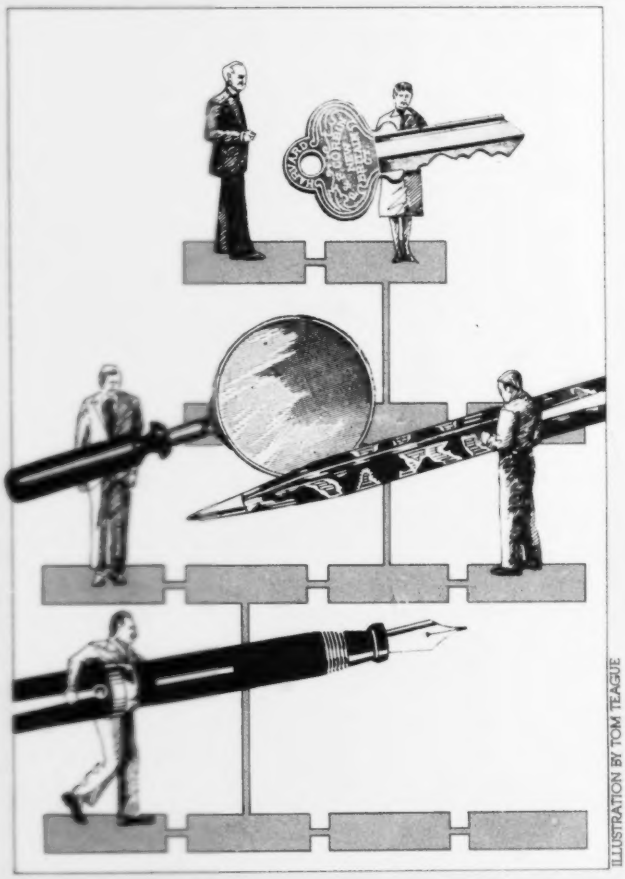


ILLUSTRATION BY TOM TEAGUE

Data Processing

1. *Is there a formal internal audit program for regular review and audit of data processing operations and procedures?*
2. *Does the organization provide for strict separation of the programming, computer operation, and manual control duties?*
3. *Are data processing personnel prohibited from performing duties in other operating areas of the organization?*
4. *Is there a method of preventing unauthorized persons from gaining access to the data processing facility?*
5. *Is a log of program changes maintained, indicating the date on which the change went into operation, in such a manner as to provide an accurate chronological record of the system?*

President's Management Improvement Council

by Charles F. Bingman, Executive Director
President's Management Improvement Council

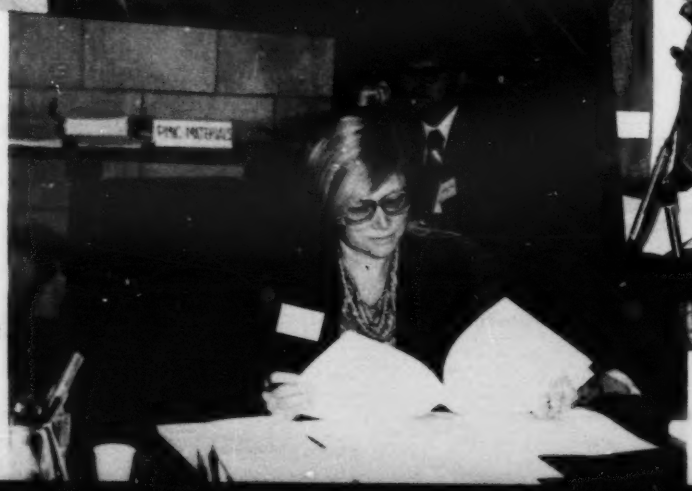
An important new initiative for improved government management was recently launched when President Carter established the President's Management Improvement Council (PMIC) to advise him on management problems and issues in the Federal Government. Other parts of the President's program of management improvement include government reorganization, civil service reform, paperwork reduction, cash management improvements, the financial priorities program, streamlining the Federal grants system, productivity, and reducing fraud and waste in government.

Under Executive Order 12157, September 14, 1979, the Council is to:

- *Advise the President on significant and critical management problems and issues affecting Government agencies and programs.*
- *Work with agency heads, the Comptroller General, senior program management and administrative officials, Inspectors General, and others to provide advice and guidance on specific management improvement projects involving one or more Executive agencies.*
- *Advise Executive agencies in developing management systems or techniques to improve the effectiveness and responsiveness of Federal programs.*
- *Identify and facilitate Federal use of appropriate systems and techniques which have been used successfully elsewhere in the public and private sectors.*

PHOTO BY CYNTHIA BREEDEN

Opening session, Roosevelt Room, The White House



Marion O. Sandler

Robert P. Biller, John A. McCart

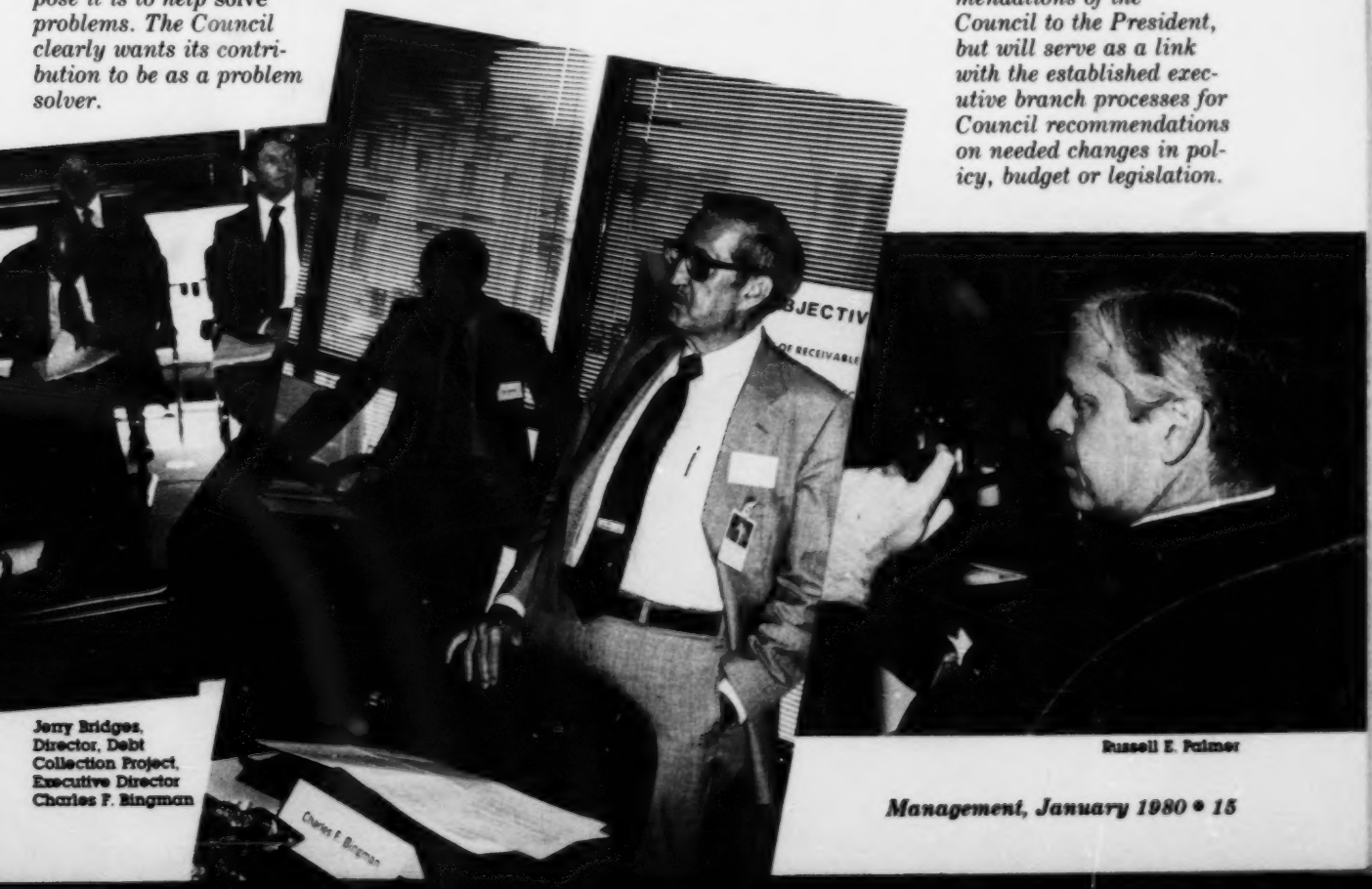
The Council met for the first time on September 14 to define its role and objectives within these Presidential guidelines. It quickly found that there was strong consensus on a number of major points. There is a unanimous view that what this Council should not *do is to write a big report or do a series of studies on how to improve Federal government. This view is widely shared by dozens of knowledgeable people around government with whom I have discussed prospects for the Council's work. There is in fact a strong reaction among Federal officials that we already have enough mechanisms, both within the government and outside of it, which identify or evaluate the government's management problems. There are, however, all too few mechanisms whose purpose it is to help* solve *problems. The Council clearly wants its contribution to be as a problem solver.*

It also heartily endorsed President Carter's intent that it concentrate its efforts on finding practical solutions to real problems. The Council fully recognizes that there are many valuable management improvement activities already being pursued in departments and agencies, in addition to those initiatives stemming from the Executive Office of the President. It also recognizes, however, that the persistent high level of public criticism of the way in which government operates is a clear signal that current management improvement cannot be accepted as adequate. The Council therefore sees its role largely as working with department and agency leaders to develop a greater commitment within agencies to broaden management improvement activity.

What PMIC seeks is an action-oriented approach. The Council will be emphasizing problem-solving projects, primarily under the leadership of the agencies themselves, which can produce practical results that can be implemented immediately. It will be most interested in projects which have high potential for cost savings and for improvement in service to recipients. The Council's role will be to create new initiatives, to support projects with leverage and talent where needed, and to help assure effective implementation of results. It can be a particularly effective resource for projects where there are close parallels between Federal and private sector activities, and where the best contemporary private sector concepts and techniques can be adopted to improve Federal management.

The co-chairmanship of the Council lends a good deal of reality to prospects for the Council's work. OMB and, increasingly, OPM are the two central agencies of the Federal Government on which the President normally relies for management matters. Both agencies are committed to active Council support, particularly for projects which will deal with government-wide issues, or which involve more than one agency.

In addition, the Council recognizes that many management problems cannot be solved by individual Federal managers because they involve laws, regulations, policies, the functioning of the Federal budget process, or other government-wide management systems. The directors of OMB and OPM will not only communicate advice and recommendations of the Council to the President, but will serve as a link with the established executive branch processes for Council recommendations on needed changes in policy, budget or legislation.



Jerry Bridges, Director, Debt Collection Project, Executive Director Charles F. Bingman

Russell E. Palmer

The Council is chaired jointly by James T. McIntyre, Jr., Director of Office of Management and Budget, and Alan K. Campbell, Director of the Office of Personnel Management. Membership consists of top managers and leaders from Federal, State and local governments, private industry, labor organizations, and academic and professional organizations.

In addition to Co-Chairmen McIntyre and Campbell, members from the Federal Government include Hugh A. Carter, Jr., Special Assistant to the President for Administration; W. Graham Claytor, Jr., Deputy Secretary of Defense; Elmer B. Staats, Comptroller General of the United States; and Dorothy L. Starbuck, Chief Benefits Director of the Veterans Administration.

Three members bring a State and local government perspective to the Council. They are Dolph Briscoe, former Governor of Texas and now a rancher and banking executive; D. Robert Graham, Governor of Florida; and George R. Schrader, City Manager of Dallas, Texas.

Council members from private industry include Joseph E. Connor, Senior Partner of Price Waterhouse and Co.; Dorothy E. Gregg, Corporate Vice President of Communications, Celanese Corporation; John A. Koskinen, President of Victor Palmieri and Co., Inc.; Russell E. Palmer, Managing Director and Chief Executive Officer of Touche Ross and Co.; Marion O. Sandler, Vice Chairman of the Board of the Golden West Financial Corporation; and Wayne E. Thompson, Senior Vice President of Dayton Hudson Corporation.

Two Council members are leaders in labor organizations. They are John A. McCart, Executive Director of the Public Employee Department, AFL–CIO, and William H. Wynn, International President of the United Foods and Commercial Workers International Union. Other Council members are Robert P. Biller, Dean of the School of Public Administration, University of Southern California; and Alan L. Dean, Chairman of the Board of Trustees, National Academy of Public Administration.

In a letter addressed to PMIC members, President Carter asked the Council to suggest ways to draw on the skill and experience available outside the Federal Government in developing solutions to Federal management problems. He also directed the Council to concentrate on finding realistic solutions to practical problems affecting the delivery of Federal agencies' services to the public. The President further emphasized the problems of service delivery in a September 14 memorandum to the heads of Executive departments and agencies. He called for greater management improvement efforts, and cited as special problems the slowness of governmental response to client needs, backlogs of work, overly complicated procedures, and insensitivity or indifference in dealings with the public.

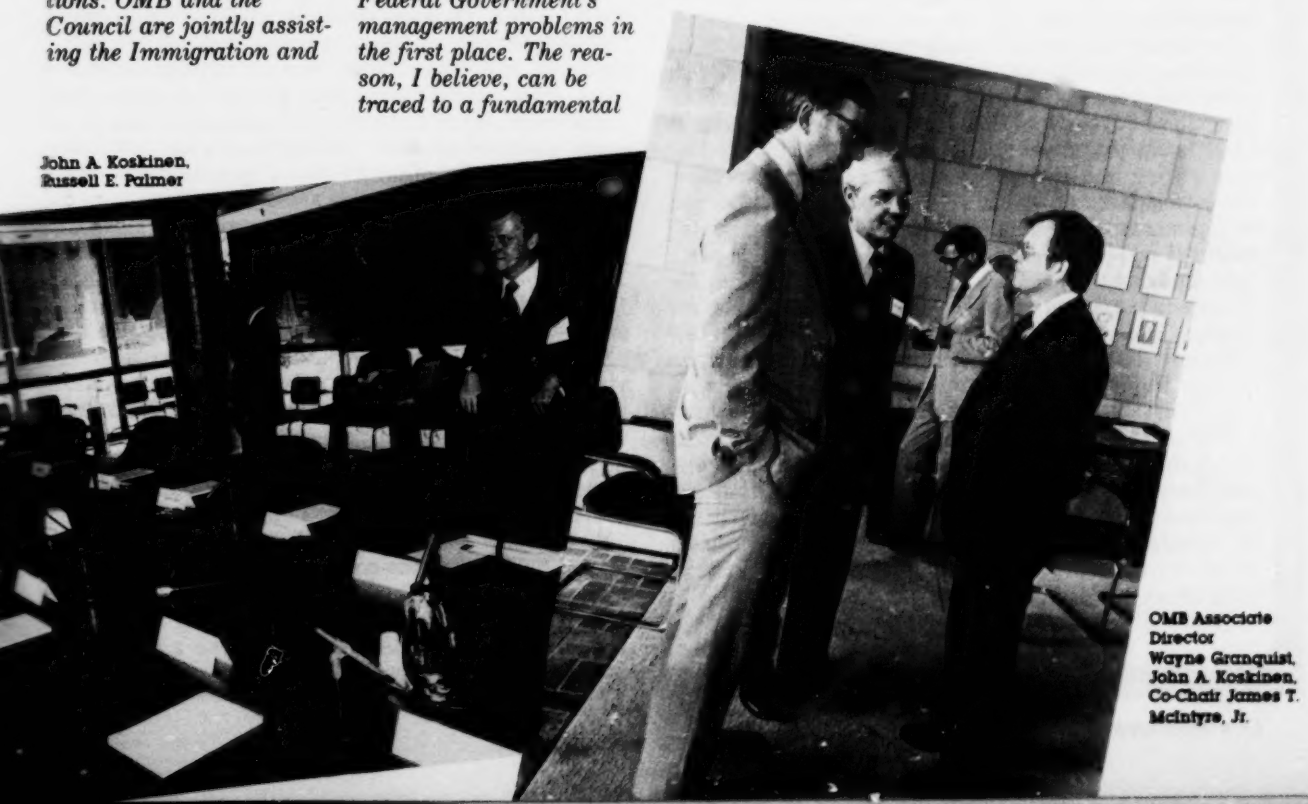
Hugh A. Carter, Jr., White House Fellow Kathy Sebo, Co-Chair Alan K. Campbell

Wayne E. Thompson

The Council has just begun its work. OMB has already agreed to undertake a major "debt collection" project which tackles the rough problems of improving the capability, in a number of Federal agencies, to collect some $140 billion of obligations owed to the Government by both domestic and foreign recipients of loans. Members of the Council are working with Leonard Schaeffer, the Administrator of the Health Care Financing Administration in HEW, to find better ways to constrain costs in the mammoth Medicare/Medicaid programs, which are budgeted at approximately $45 billion for FY 1980. Other Council members are working with Rowland Freeman, Administrator of the General Services Administration, to help tap into private sector systems and techniques for the management of large scale supply, maintenance and customer service operations. OMB and the Council are jointly assisting the Immigration and Naturalization Service and the Department of Justice to launch a major reassessment of clientele service effectiveness and the development of new automated processes to eliminate workload backlogs and speed up client service. Projects are being considered under the direction of the Federal Executive Boards throughout the country to identify and correct service delivery problems such as workload backlogs; long delays in processing time; onerous, unnecessary, overly complicated forms or records processes; or lack of employee attention, courtesy, fairness and equity in dealing with the public.

I am often asked, "Why do we want a Management Improvement Council, especially one which is advisory and won't run anything?" I think this question can be linked to the broader issue of why there is a periodic need for such add-on mechanisms for attacking the Federal Government's management problems in the first place. The reason, I believe, can be traced to a fundamental weakness in the governmental system at all levels. The public sector has grown tremendously in the last twenty years—in size, in scope, and in the degree of its intervention in national affairs. This growth has been accompanied by a quantum increase in government complexity. Frequently, there has been a compelling preoccupation, both in Congress and in the Executive Branch, with the fascinations of policy formation and program creation, to the point that we have undervalued the more mundane, but equally important chores of hard, effective program management. This neglect has a way of catching up with us; the systems of government are getting out of repair faster than we currently know how to fix them. President Carter has recognized this as both a political and managerial fact of life, and has initiated one of the most comprehensive programs for managerial reform of any President. But the Federal response to the public's demand for better government must be translated down through the whole Federal structure and indeed the whole Federal/State/local system. The creation of the Council is a recognition that we need all of the management tools we can command.

If there is an immediate "bottom line" for the role of the President's Management Improvement Council, it is to become a force for bringing about greater motivation for practical management improvement throughout government. In the long run, I hope it can help us all to sustain a more effective and continuing agenda of management improvement efforts and find permanent ways to strengthen the Federal Government's capacity to manage well.



John A. Koskinen, Russell E. Palmer

OMB Associate Director Wayne Granquist, John A. Koskinen, Co-Chair James T. McIntyre, Jr.

Civil Service Ref

The challenge of the dawning space age in 1958 posed unique problems for the newly established National Aeronautics and Space Administration (NASA) that demanded the quick assembly of an elite corps of specialized managers.

In response to the need, excepted position authority was provided in the agency's enabling legislation. NASA's senior executives—scientists, engineers and administrators—were excepted from civil service laws and its rigid classification requirements. The only limitation was a ceiling on pay that could not exceed the GS–18 rate of the General Schedule.

From the beginning, NASA senior executives have been paid in accordance with their responsibility and performance, and their contribution to the agency. And the NASA Administrator has always had the flexibility to move them around within the agency and to tailor their duties to the fast-moving needs of our research and development programs in space and aeronautics.

So it was with keen interest that the Agency watched the evolution of the Civil Service Reform Act of 1978. When it became clear that there would be an opportunity for an early trial of the Reform Act, we were anxious to participate. By helping the new Office of Personnel Mangement (OPM) in defining legislative requirements, NASA developed a strong understanding of the Act and retained much of the flexibility we had before.

Soon after the law was enacted on October 13, 1978, the agency undertook an intensive experiment to develop and test new personnel systems along with modifying some of its own. This effort was coordinated with OPM to satisfy provisions of the Reform Act.

In setting up the experiment, these basic elements were considered crucial to its success:

- Top management commitment
- Direct involvement of line managers as well as personnel experts
- Agency participation to create a "sense of ownership"

As a first step, the NASA Steering Group for Civil Service Reform Implementation was established and staffed with senior line managers representing a cross section of the Agency. Ray Kline, Associate Administrator for Management Operations (now Deputy Administrator of GSA), was named to head the group. He reported to me and to Deputy Administrator, Dr. Alan M. Lovelace, who was directly involved in the entire effort. From its ranks, the group created four agency task forces to design, develop, and test the required systems. These task forces and their leaders were:

- *Senior Executive Service*, Edwin C. Kilgore, Director of Management Operations, Langley Research Center, currently Acting Associate Administrator for Management Operations at NASA Headquarters;
- *Performance Appraisal and Merit Pay*, William A. Mecca, Jr., Director of Administration and Management, Goddard Space Flight Center;
- *Federal Labor-Management Relations*, Jerald D. Fox, Personnel Director, Marshall Space Flight Center, currently Executive Assistant to the Deputy Administrator of GSA; and
- *Management Delegations*, Jack R. Lister, Personnel Officer, Johnson Space Center.

NASA Personnel Director Carl E. Grant was named as the Secretariat to the Steering Group to insure that management policy about the final systems is translated into viable personnel regulations. These regulations will ultimately be used for agencywide implementation, which Grant will head.

Since the new systems eventually will affect every NASA employee, agencywide communication about our progress is considered vital. To this end, we created the "NASA Newsline," a periodic newsletter which was sent directly to each of the agency's 23,000 civil service employees.

The first task to be completed was modification of the agency's Executive Resources System to meet the SES requirements of the Reform Act. Minimal changes were needed. They included the appointment of one high-level board for the routine management of SES positions, and another for making recommendations regarding SES performance appraisal and compensation.

The basic effort included detailed examination of every excepted position throughout the agency. Ultimately, some 435 offers of specific positions and salaries were accepted by senior agency executives.

This system is now in place along with its new components for performance appraisal and bonus awards. The first rating period will be completed on March 31, 1980. Undoubtedly, there will be variations in our separate evaluations of the top executives across the agency. But it is only after the ratings have been reviewed and the bonuses actually awarded that we can make judgements about the strength and effectiveness of these new systems. We recognize that some changes probably will be required as a result of this experiment. However, we are optimistic that the basic systems will be successful.

NASA is research and development oriented, with strong field centers as a foundation. The agency has a history of independence and diversity in its four research centers, five flight centers and the Headquarters organization. This environment was a primary

orm at NASA

by Dr. Robert A. Frosch, NASA Administrator

consideration for the Agency Task Force for Performance Appraisal and Merit Pay. Any personnel management systems produced had to be responsive to the different needs of our various centers. Consequently, a Phased Project Plan approach was selected and the total effort decentralized to include task teams from each center and Headquarters. Specific phases included organization, preliminary analysis, definition, design and development, and implementation.

Use of the Phased Project Plan, a technique employed for spaceflight missions, allows the multitude of required activities to be organized into one, results-oriented task. Decentralization of the task insured intellectual commitment to the end products because every center team participated in each phase of development and fully understood the evolution of the end product.

Over 50 performance appraisal techniques were examined in the research phase of this effort. Researchers visited public and private organizations with environments similar to NASA across the country and in Canada. The results of the task force include two basic performance appraisal systems and a proposed merit pay system. Both of the appraisal systems are based on the concept of Management by Objective, which was selected because it is similar to the results-oriented management system historically used in the agency. One will be used to appraise the supervisory managerial population (including the SES), and the other will be used for all non-managers.

Continuing job responsibilities are included in the evaluation process, as are specific objectives. The objectives are identified by both the SES employee and the manager as reasonable for completion during the current annual rating period.

The proposed merit pay system for GS–13 to 15 managers and supervisors provides flexibility for centers implementing "pay for performance" under agency guidelines. Implementation of this system is being delayed until the question of sufficient funds is resolved by OPM.

As stated in the Reform Act, merit pay funds will be derived from two sources. One source is the "within grade" and quality increases previously available to managers and supervisors; the other is one-half of their comparability pay due each year. This approach might be called the "zero sum" technique: in order to give to one, you have to take from another. Thus, the source of funds is limited. And, there is concern that merit pay "awards" might be financed by reducing the basic pay level of successful supervisors below that of their nonsupervisory counterparts.

NASA's policy is to use the merit pay system in a manner that will not penalize successful performers and that will provide positive benefits to a number of the highest performers.

One of our concerns about merit pay is its potential to entice our middle management employees who want increased merit pay awards to seek other employment opportunities, either within NASA or in other agencies. This could easily have an unbalancing effect on our skill mix and seriously affect our ability to meet mission objectives. For this reason, the proposed pay system has been designed to provide maximum rewards for quality performance, and to provide a significant incentive to perform at one's best at the job to be accomplished.

The Reform Act gave the Agency Task Force on Federal Labor Relations the opportunity to review the agency's operations in labor relations as covered by Executive Order 11491, and to better understand it. The task force then addressed the many implications of the new Act, developing agency labor relations philosophy, organization, and policy to meet the challenges of Title VII.

OPM's delegation of 26 specific authorities to NASA, along with six additional items now under negotiation, is a step in the right direction. Such increased authority will provide the agency with more flexibilty for managing its resources.

There is some concern that the delegation of authority does not go far enough, primarily in situations like a Reduction in Force (RIF). Under civil service rules, RIF is still primarily a mechanical process based on veterans preference, grade and service. Consequently, an individual's performance still does not receive significant consideration in the retention process. Changing this process to allow greater consideration of performance would have been a major step forward.

Regardless of how our initiatives work out, we cannot but benefit from the effort. What we have done in the past year is to concentrate the collective mind and will of some extremely competent people on personnel management and move it several steps in the right direction.

While personnel managers and specialists gave expert technical advice at each step, the participation of line managers was vital to our efforts. They raised practical questions and contributed much from the diversity of their real experience. And, in the final analysis, it is the line managers who make the system work.

We are confident that our efforts have capitalized on the Civil Service Reform Act to the benefit of the entire agency.

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worth repeating

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Management Review

The Best of Both Sexes

by ALICE G. SARGENT

To produce more effective managers, men and women need to develop behaviors traditionally assigned to the opposite sex. The concepts of "male" and "female" are certainly real enough, and their effects are felt on all levels of the business world. However, managers and their organizations could benefit from a blend of the two.

Managers have tended to value coolness, competitive power, charisma, toughness, resilience, external rather than intrinsic rewards, and logical problem-solving rather than an integrated approach relying on wants and needs as much as ideas.

To categorize these qualities as "male" is probably less accurate than to say organizational norms are synonymous with male norms.

Indeed, our cultural norms seem to be divided into organization (male) norms and family (female) norms. Men have been taught to value task-oriented achieving and have been socialized to fill the needs of the organization. Women have been taught to be expressive, oriented toward the development of others as an extension of themselves and have been socialized to fill the needs of their families.

Yet, the concept of the manager as a rational and analytical problem-solver with predominantly "organization man" characteristics is shifting toward a managerial style that encompasses human relations skills in addition to problem-solving. Increasingly, organizations train for and reward both vicarious and direct achievement styles of leadership, and both instrumental and expressive behaviors. The effective manager is seen as someone with both leadership skills and supporting and helping behaviors.

Some evidence of changing managerial styles can be found in peformance appraisal forms. For example, one major corporation includes several social skills among ten factors in evaluating managers. These are: (1) communicating expectations and standards; confronting problem situations and issues, (2) being open, honest, and fair with people, and developing trust regardless of racial, sexual, or cultural factors, (3) developing skills in group and individual effectiveness—being a good coach and mentor; recognizing and molding skills of others, and (4) communicating well at all levels of the organization.

Developmental training efforts in this corporation and others include increasing managers' abilities to express feelings and teaching helping skills, such as attending behavior, active listening, paraphrasing, reflecting feelings, and influencing. Also, some participants in management training seminars have reported they attended to learn how to be more sensitive and to show their feelings more.

Furthermore, radical shifts in the composition of the workforce to include women in management have raised one more challenge to norms and values. If women managers are not simply to be forced into male management styles, the entire organizational styles, the entire organizational culture needs to be studied. Also, women bring to the marketplace values, attitudes, and behavior that run counter to the mainstream. Therefore, the significant questions for corporations are: Can female characteristics and behaviors become part of managerial style without jettisoning the best of male traits? And, can new attitudes toward the place of work in one's life, the role of intimacy, and a wider spectrum of attitudes toward time and success be included in organizational values?

Changing values for managerial style

Changing values for managerial style are coalescing with the new composition of the workforce to create dual pressures for shifting mores. This could develop androgynous managers—people who have learned and value both "masculine" and "feminine" behaviors, fatherly styles *and* maternal behaviors, competition *and* cooperation. The concept of androgynous managers may enhance the ways we see managers, conduct training programs, and evaluate performance.

This androgyny is an archetype that represents the coming together of, for want of better terms, maleness and femaleness. The androgynous manager is both dominant and yielding, combining independence with playfulness and nurture. An androgynous manager is well-developed in both the right brain (creative skills, such as intuition, interrelationships, fantasy, and imagination) and the left brain (intellectual skills, such as linear, abstract, logical, and deductive thinking).

Management as accomplishing tasks

More and more, management is viewed as accomplishing tasks through building a set of relationships between boss and manager, manager and subordinates, and manager and peers. For example, managers spend between 50 and 90 percent of their time

in interpersonal communication. Of that time, ten percent is spent communicating with bosses, 40 percent with subordinates, and 50 percent laterally throughout the organization. This kind of communication requires interpersonal skills and concern for relationships.

As a result of this emphasis, affiliation may become more important. Motivational psychologist David McClelland has noted that achievement was the motive of the '60's and power the major motive of the '70's, but the third interpersonal motive, affiliation, has yet to have its day in organizations.

Also, R.E. Boyatzis developed a two-factor motivation theory of affiliative assurance and affiliative interest. Managers with high affiliative assurance motives are concerned basically with the security and strength of their close relationships. Anxious about rejection, they tend to be jealous and possessive about subordinates and superiors and probably engage in sibling rivalry with peers. This form of motivation interferes with the work of managers, because it interferes with their perspective in making decisions about the quality of time spent with other workers.

The human relations components of managers' jobs require that they develop the potential of subordinates, give direct, sometimes critical, feedback about their work, build an effective work team, and help new employees join that team. Yet, the manager with high affiliation assurance needs may not be comfortable in giving negative feedback, may not be able to place goals in perspective when interpersonal issues are present, may not model a collaborative style in the face of competiton, and may not be able to help subordinates change their behavior if they do not want to.

In contrast, the manager with high affiliative interest—a good concern for relationships as well as for tasks—could generate a climate of openness and compassion, and could communicate directly and openly with his or her boss without being overly concerned about approval and reassurance. Importantly, security with an authority figure generates more problems for most than does seeking reassurance from peers or subordinates.

If affiliation becomes a more valued part of the manager's style, "feminine" behaviors, such as being able to express feelings, show vulnerability, and ask for support, may become more valued in the marketplace. It would then be as relevant for men to increase their interpersonal competencies in affiliation and intimacy as for women to become more assertive and more effective in dealing with the realities of power.

[illegible]

In many ways, it is as if women and men grew up in two different cultures in which both sexes developed and were rewarded for different skills, attitudes, and behaviors. For a healthy androgyny, both sexes need to temper their managerial styles with those of their counterparts. Women now need to develop behaviors that will enable them to be autonomous, powerful, and forthright as well as supportive; men need to learn to be more aware of their feelings instead of suppressing or avoiding them, to make greater emotional contact, to be more overtly dependent, and to build effective support systems.

The benefits of androgyny thus become clear. Women would benefit from the analytical skills and healthy assertiveness of males. And men could improve their managerial abilities by developing more effective intuition, improved ability to express emotion, and more effective support systems. Men could learn to decrease exhibitionism and jockeying for power with each other. Women could learn to share their competence with other women. If both sexes would participate in compensatory education programs designed to develop their human and managerial capacities more fully, we could have managers with a high concern for task and relationships and who, incidentally, would be androgynous.

Androgynous behavior impacts a range of managerial functions: giving performance appraisals, encouraging team effectiveness, assisting in the career development of other employees, developing a variety of decision-making styles, dealing with conflict, the capacity to generate a positive climate in the organization, and responses to new ideas and to stress.

In their quest to be taken seriously, many professional women go through a stage of becoming like the archetypical man before allowing themselves the tenderness and playfulness they abandoned. Women are often awkward as they search for role models, and they try to become like their male colleagues or mentors. They may try to take charge or express anger as some charismatic guru does, only to feel even more inept because they violate their own integrity.

In *The Managerial Women*, M. Henning and A. Jardim note that the successful woman of 35 frequently tries to recapture her feminine side. As the pool of assertive women increases and the initial awkwardness of the new behavior is overcome, more women move to the next stage—being asser-

tive without being oppressive or non-caring.

If, as *MS* concludes (January 1977), it is possible to have "love after liberation," it may be all right to be both assertive *and* compassionate. Because women have for so long derived their style from the hostess role, it is almost a joy to see the disjointedness of the recent participant in assertiveness training.

Women have learned to be excessively pleasant, to smooth over conflict, to be preoccupied with bringing people together (often at the expense of substance), to be overly concerned with getting the job done, to smile too much, to allow themselves to be interrupted, to let their voices trail off when making an important point, to laugh at the end of an important sentence, and to require more expertise from themselves than a man would before venturing an opinion. In short, women have learned passivity, self-denigration, and vicarious satisfaction.

Because of socialization and continuing reinforcement, women are prone to abandon a position of strength in order to be charming and conciliatory. Rather than being concerned about whether they are being ignored or affirmed, women need to make their points and have their messages received openly. Also, they need to claim ownership for jobs well-done, to acknowledge errors in judgment, and to deal with instances where sexual attraction biased their responses to others.

Similarly, men tend to be awkward as they become aware of the need for more collaborative, less competitive behavior, and to commit themselves to greater openness rather than coolness. Men benefit when they are made aware that they are operating more out of need for power and control than a need to get the job done. On the basis that one should be rational, men typically act to the exclusion of needs for approval, closeness, and spontaneity, even to the extent of not recognizing the emotional content of a message or its relevance to a situation.

Newer management styles tend to emphasize more collaboration and less competition, or at least different decision-making styles for different situations. Contingency decision making and situational leadership styles are becoming more widespread so that benevolent autocratic styles tend to be used in fire-fighting, and more consultative styles used for planning. Participative styles are not yet in widespread use.

A paramount issue for women is the exercise of power and the acceptance of any conflict that results. Many women avoid confrontation and competition in policymaking and goal setting, even to the point of not seeing issues in terms of power struggles and even though power dynamics are rampant and frequently useful components in every organization. They may even spend their time in noninfluential roles in an oganization rather than seeing the system's real governance and decision-making process as the issue.

Many women tend to be reluctant to take charge, even when appropriate, and to overuse the collaborative approach when it is inappropriate. As women become more comfortable leading, they undoubtedly will be able to make judgments based on a correct reading of a situation. But women managers now tend to be trained by subordinates rather than singled out by top leaders and brought along. They are not seen to have, nor do they have, as much access to information as male managers do.

Women managers also tend to give away their power. Women are much more familiar with seeking help from others than with being self-reliant. In one power-simulation game, which begins with the handing out of four pages of directions, it is not uncommon for a woman participant to glance at the directions, set them down, turn to the person next to her, and ask, "What do they say?" Similarly, women have been socialized to make do with what they have rather than to hustle for themselves, and they fail to demand adequate resources for their programs or training for themselves and their subordinates.

In contrast, men have been taught to overemphasize power—and are rewarded for doing so. Many men say they naturally slip into one-up/one-down interactions, even when unnecessary, and that they distance themselves in many of their relationships, business and social. Men frequently use jokes and stories to regain control or enhance a point. Few women use this approach, even when it might be helpful; they tend to speak from a base of expertise or to talk more personally. In order to be androgynous, and less isolated and lonely, men need to experience situations that trigger the power responses and then allow and force themselves to feel the discomfort of being less in control.

Another facet of the male manager style is the lack of reflection or matching behavior. This is no surprise since organizations tend not to reward this behavior among managers. Typically, male managers learn from concrete experimentation and direct experience (doing), somewhat less from abstract (feeling) conceptual-

ization (thinking), and least of all from reflective observation (watching).

Research on the impact of group composition on interaction patterns demonstrates that men and women have indeed learned different sets of behavior. Competition, aggression, violence, victimization, joking, identity questions, and fear of self-disclosure have been shown to predominate in all-male groups. For example, about one-third of the statements made in all-male groups tend to be addressed to the group as a whole, thus avoiding intimacy. Men also report that they do not usually get their intimacy needs met by men. All-female groups tend to stress themes of affiliation, family, conflicts about competiton and leadership, and information about various relationships.

Women tend to deny the presence of power issues in a group. They want, instead, to feel part of a team where all are equal, whether this accords with reality or not.

In mixed groups, men tend to be more tense, serious, and self-conscious. They speak less of aggression and engage less in practical joking. Both sexes refer to the self and talk about feelings more, but women generally speak less than men by a significant amount: men get two-thirds of the air time. Sexual tensions are present in mixed groups, and people tend to express values and concerns about being attractive to the opposite sex.

Other research has demonstrated that a man in a female-dominated group is likely to be a central figure and to be deferred to and respected. On the other hand, a woman in a male-dominated group probably will be isolated and treated as trivial or as a mascot. Women express themselves more fully in a team situation if several women are part of the team. A woman alone on a team is less likely to make a full contribution because she tends to be invisible, isolated, and unsupported. This suggests the benefits of placing several rather than one woman on teams, even if other teams have no women members at all.

The language of transactional analysis provides a useful communications model. TA views each person as a parent (critical and nurturing), an adult (problem-solving, rational thinker), and a child (free, natural, adaptive, rebellious, manipulative, creative).

If adult-adult or man-woman and woman-woman communications is the goal in most work interactions, then the following behaviors should be eliminated:

1. Men using women managers as mothers—telling them personal information but not treating them as real colleagues with whom they also solve problems and perform tasks. (Mother-boy pattern.)

2. Women managers not sharing their competence with each other but behaving instead in negative girl-girl or mother-girl patterns.

3. Men and women managers using sex to play out power and control issues, as in father-girl and mother-boy patterns.

4. Male managers being angry at women employees but protecting them. (Father-girl pattern.)

5. In emotional situations, the male manager deferring to the female manager if pain is expressed (woman manager comforts tearful woman secretary while the male manager steps aside). (Mother-boy pattern.)

6. Woman manager deferring to male manager on policy-making. (Father-girl pattern.)

The androgynous manager combines the adult problem-solving mode with the nurturance of the parent and the spontaneity, creativity, and playfulness of the child. The androgynous manager acting as adult is able to love, assert, express anger and fear, be caring, and solve problems.

To be more androgynous, women need to expand their repertoire of behavior for dealing with power and conflict. Men need to increase their capability for self-disclosure and for the spontaneous expressing of feelings. Our daily lives do not offer much support for seeing men and women through the transition to androgynous behavior in male-female relationships. Therefore, we all need to build better support systems to help deal with anxieties, to encourage risk taking, to help renew our energy and determination, and to encourage us to increase our opportunities for behavior that is free of sex-role stereotyping. These issues need to be talked about and explored in every aspect of organizational and familylife.

We are building toward dramatically new patterns of interaction between men and men, between women and women, and between men and women. It is critical that both sexes have opportunities to develop androgynous behavior, free of sex-role constraints, if they are to work effectively within the new workforce and with human relations styles of management.

Alice G. Sargent is a consultant to major corporations and governmental organizations; specializing in organizational behavior and development, managerial effectiveness, affirmative action, male-female issues, and other management areas. Also active as an educator, trainer, and administrator, Dr. Sargent is the author of numerous articles and editor of a recent book, Beyond Sex Roles (West Publishing Company, 1977).

NITTY• GRITTY

A BRAND NEW BRIGHT RED BOOK FOR MANAGERS

Help is on the way for Federal managers and supervisors who are becoming more actively involved in the detail work of personnel management as a result of civil service reform—and finding it a bit disconcerting.

A brand new, bright red Managers' Handbook is off the press, and copies should now be filtering their way **into the hands of a representative** group of Federal managers throughout the country. Designed to dispel the mysteries surrounding the Federal Personnel system, the Handbook is full of practical information and guidance that will help line managers and supervisors up and down the line understand personnel regulations as a manageable system, rather than a stumbling block.

On one hand, civil service reform initiatives gave more freedom and authority to operating managers. On the other, it made it necessary for them to have access to a broader range of general information in order to exercise their new authority effectively. Since it isn't reasonable to expect busy line managers and supervisors to become studious readers of the Federal Personnel Manual, the Handbook was prepared to bridge the information gap between chapter-and-verse knowledge of the FPM and spotty knowledge based on vague impressions and hearsay. It is essentially a primer on the major aspects of Federal personnel management, with references to specific rules and regulations for situations where more detailed information is needed.

The first version of the 6 × 9 Handbook runs about 250 pages. Presented from the manager's viewpoint, the 16 chapters cover: hiring, both outside and within your agency; classifying jobs; performance appraisal; training; compensation (including merit pay); incentive awards; performance and conduct; appeals and grievances; attendance and leave; equal employment opportunity; labor-management relations; a healthy workforce; ethics, including Hatch Act restraints and whistleblowing; productivity; the Senior Executive Service and executive development; and personnel management resources. Most chapters include questions and answers covering situations you are most likely to encounter. In addition to the subject matter chapters, the Handbook has a glossary of personnel terms, a bibliography and a list of key OPM contacts. The user's guide tells people where to send their suggestions and comments.

Distribution of the Handbook included a copy for each member of the Senior Executive Service. Most of the remainder were provided to agency headquarters and field activity personnel directors with a request to put a copy in the hands of a variety of line managers who would make a special effort to give it a trial. Material for the Handbook was written by OPM specialists and draft copies were widely circulated to agencies for comments, suggestions and ideas. The responses—and there were many—were incorporated in the final draft. Although every effort was made to have the Handbook be complete, correct and concise, the fact remains that this is a first effort and there is always room for improvement. (And, as the reform effort unfolds, there will continue to be changes in personnel management rules, regulations and procedures.)

With this in mind, the decision was made to print a limited first edition, try to get it into the hands of a representative sampling to get reactions and responses, and revise it. When OPM prints the revised edition, agencies will be asked to provide one for every manager and supervisor they employ, by riding OPM's **printing requisition to obtain copies at a nominal cost. All this should be done by the end of April, so the new, improved edition can be published in mid-summer.**

One thing is certain; if the initial handbook gathers dust in your "In" box, the opportunity to make it a truly useful guide book will be missed. If you have received a copy for comment, or know somebody who has, give it a good trial run, and pass along your suggestions. None of us is as smart as all of us. And all of us can make the Managers' Handbook a practical success.

"Nitty Gritty" is designed to provide managers and supervisors with practical information on the day-to-day aspects of their jobs. Your suggestions for topics are invited.

short takes

Standard Physical Requirements Changed

The 16 standard physical requirements paragraphs in the Handbook X–118 have been abolished and replaced by a single medical qualification statement for all positions with sedentary, light, or moderate duties. Qualification standards for occupations in which the positions typically involve arduous or hazardous duties remain in effect, but also have been modified to reflect additional placement considerations.

These changes result from a recent OPM review of medical requirements which indicated a great commonality of essential requirements for occupations which typically involve sedentary, light, or moderate duties. The changes reaffirm the existing policy of requiring job applicants and employees to possess only the minimum physical and mental abilities necessary for safe and efficient performance. The effect of these changes will be enhancement of employment of handicapped persons by:

- delegating more authority to agencies to determine the medical eligibility of an individual applicant, based on the actual tasks of a specific position and on the demonstrated abilities of that person;
- encouraging the use of reasonable accommodation, job restructuring, and worksite modification; and
- emphasizing the need to interpret and appropriately modify occupational medical standards to reflect the minimum requirements of the specific position to be filled.

Similar changes in Handbook X–118C, Job Qualification System for Trades and Labor Occupations, are being developed.

Productivity Resource Center

The Office of Personnel Management has opened a new Productivity Resource Center as a service for federal, state, and local managers and supervisors. The Center will help them explore new approaches to improving their organizations by supplying them with documented success stories, selected research, measurement, and analysis, and referrals to promising developments underway in private productivity centers.

Under the direction of the Workforce Effectiveness and Development Group and the Office of Intergovernmental Personnel Programs, the Center will operate as a channel to distribute results of research and development in productivity. Presently, its holdings will be limited to OPM's own documents, including state and local products generated by IPA grants, and select examples of the most timely and relevant work from other agencies or researchers. The Center's holdings will be supplemented by extensive files on products available from other sources and by continuously updated information on research in private sector centers.

Resource Center productivity specialists are ready to help managers focus their inquiries and 1) refer them to appropriate documents and/or service organizations; and 2) distribute single copies of available literature. The Center's mailing address is:
Office of Personnel
Management, Productivity
Resource Center
P.O. Box 14080
Washington, D.C. 20044

Records Handbook

Two new handbooks containing up-to-date information on the disposition of federal records have been prepared by the National Archives and Records Service. *The Dispositon of Federal Records* (NSN 7610–01–055–8704) replaces a handbook last issued in 1949 and reflects the many changes in government records disposition since that time. *The Federal Archives and Records Handbook* (NSN 7610–00–298–6904), in its first up-date since 1968, explains how to retire agency records to records centers, how to dispose of records in centers, and how to obtain reference and microfilm service. Information on files maintenance, regional archives branches of the National Archives, and the Federal Vital Records Program is also included. Copies of these handbooks can be requisitioned directly from agency Federal Supply Services. Use the Federal stock numbers provided above.

Who Reduced Productivity

A recent study indicates that the productivity of individual U.S. workers has declined drastically in the past seventy-five years. Lowered individual productivity not only adversely affects the nation's output of goods and services, but may even contribute to inflation by decreasing the supply of available commodities in relation to the supply of money.

The study, prepared by Theodore Barry and Associates management consultants, suggests that employees today are only two-thirds as productive as their grandparents. At the turn of the century, an average worker might have spent as much as 85% of his or her time actually working. Today that figure has dropped to 55%.

According to James A. Fields, vice-president and manager of Barry's Atlanta regional office, management, not labor, is the main cause of low productivity. Faulty scheduling and staffing practices, poor communication of assignments, and lack of discipline interfere with the worker's ability to produce. This can result in losses of up to 30% (two and one-half hours) of the day's work time.

On Phased Retirement, Part-time Workers and Double Dipping

by Leo P. Crespi

In September of 1977 the President directed federal agencies to expand job opportunities among a number of groups, including older persons, with an emphasis on establishing more permanent, regularly scheduled jobs for people who want to work less than full-time. The Office of Personnel Management reports definite progress in implementing this directive and greater progress is expected after October 1, 1980, when part-time workers will no longer be charged as full-time slots against personnel ceilings, but will be pro-rated according to hours actually worked.

These developments suggest the time is ripe to develop and implement a program which has long been desirable—phased retirement to ease what is often an abrupt and tension-laden transition from full-time work to full-time retirement. Moreover, in an inflationary era and with an older population, any program which encourages older workers to extend their productive years makes eminent good sense, for the individual and for society.

As a psychologist with 30 years' experience in the government bureaucracy, the writer is disposed to consider whether the trend toward greater appreciation of the problems of older people and the trend toward greater use of part-time employees cannot be melded into a plan for phased retirement for civil service employees—a period of part-time work and part-time retirement.

[illegible]

An obvious possibility for such phased retirement is simply to postpone formal retirement and shift to a part-time schedule until full retirement is desired. Though this seems straightforward and logical, it has one flaw: it is patently unreasonable.

To illustrate: suppose an employee eligible for retirement has reached the top civil service salary, at the present limit of $50,100. He has earned a retirement pension of, say, $30,000. If he shifts to half-time work without retiring, he will receive half his annual pay, or $25,050. What, then, is the situation? The employee has certainly achieved his objective of working part-time, but to do so he is in effect paying the government $4,950 ($30,000 minus $25,050) a year for the privilege of working.

[illegible]

Another avenue appears more reasonable: it is possible at the present time to retire and to be rehired as an annuitant.

Let us again suppose we have a government employee eligible for retirement making the salary limit of $50,100, with an annuity of $30,000. Under present provisions governing the status of rehired annuitants, a person rehired for the same job he has been doing receives as post-retirement salary for full-time work the difference between his annuity and his pre-retirement salary—in this case $50,100 minus $30,000 or $20,100.

This means that a person with demonstrated qualifications for a particular job is hired to do the job for only a fraction of the appropriate salary, as defined by the pay for the work prior to retirement. In this case, the retired annuitant receives in salary for the same work a decrease of some 60 percent.

Such a situation is not only inequitable, it is regressive: the greater a person's government experience—the greater his value by accepted personnel criteria—the greater the reduction in pay for the same work. For example, a person retiring from a salary of $30,000 with an earned annuity of $10,000 would be permitted to make $20,000 as a rehired annuitant. In this case, loss of pay for the same work would be $30,000 minus $20,000, or $10,000. This is a reduction of one-third, rather than the nearly two-thirds reduction the higher salaried employee would receive.

Such an arrangement is not immediately perceived as an inequity because many people do not understand the difference between an earned and an unearned annuity or pension. Confusion is compounded when government pension rights are perceived in the same framework as the Social Security system, which is a mixture of earned and unearned benefits, of welfare provisions with true pension rights.

Pension rights in the Federal government are not the same as Social Security payments. They have no admixture of welfare or charity. They are defined and agreed upon recompense that supplements salary and other incentives in the job. It is revealing in this connection that government annuity payments are taxed like any other earned income, while Social Security payments are not.

Subtracting a reemployed annuitant's pension income from his permitted salary is clearly inequitable. The annuitant's pension has already been earned; he is entitled to receive it without reference to his current work. Beyond this, the annuitant is entitled to receive the full salary established for his post-retirement job—not some fraction of it.

This point is well understood in the private sector. If a person is qualified and is hired to do a job, he is paid the salary the job commands. He is not asked whether he is receiving some pension benefit for work performed in the past in order to subtract it from his salary. Once it is understood that government pensions are earned benefits for past services—not welfare—the different treatment in government is illogical.

The effect of this disparity is as predictable as it is perverse—it discourages retired government employees from doing what their experience most qualifies them to do, from offering their services to the government, rather than to the private sector.

In respect to part-time work for reemployed annuitants, the same criticisms apply. A person working half-time receives, not a full half of his pre-retirement salary, but this sum minus half his annuity. And, the greater the annuity (which reflects longer experience on the job and greater value to the government), the greater the post-retirement loss in salary for the same work.

[redacted]

How can such deficiencies be avoided? One possibility is that a person who wished to phase into retirement via half-time work at his present job could formally retire and commence receiving his pension. By pre-retirement agreement, his agency could rehire him on a part-time basis for the same job. (Conditions governing length of tenure and other details would be worked out with the agency.) This arrangement is in some ways analogous to the present reemployed annuitant status, but with an essential difference: the person receives the same rate of pay as his pre-retirement salary, while working half the number of hours each week. To illustrate: a person who retired from a salary of $44,000 (with a pension of $22,000) and worked half-time would in this case receive a total income equal to his pre-retirement salary ($22,000 pension plus $22,000 as half-time pay). In other cases, one could receive more or less.

Is it fair to the government that a person under such circumstances may receive an income which would be equal to or greater than his pre-retirement salary? If one is thinking of pension rights in terms of welfare or unearned benefits, as is possible with Social Security payments, the answer may be NO. But the answer is YES if one appreciates the true nature of government annuities as earned recompense for past services. In this respect, the plan is eliminating an inequity for the person, rather than creating inequity for the government.

Suppose the person makes the salary limit of $50,100 and is eligible for retirement with a pension of $30,000. If he continues to work on an unretired basis, he is actually working for less than half pay ($50,100 less $30,000 he would draw as a retired worker=$20,100). $30,000 of what he receives is his own earned pension income for past work, and should not be considered part of his salary for current work.

The idea of a phase one retiree's drawing an income greater than his pre-retirement salary may encounter resistance. If this is the case, it would appear reasonable to set one's pre-retirement salary as a limit and adjust the number of hours worked so that the income from earned pension and part-time work at the old salary rate may not exceed this limit. Such a limit might be in fact illogical, but handled in this manner would not be inequitable.

[redacted]

The phased retirement plan may raise the bug-a-boo in some people's minds of "double-dipping." It involves receiving two sources of income from the government, both earned pension for past services and salary for current work. But much, if not most, of the criticism of double-dipping misses the point. The number of checks received from the government is not really a point for debate; one check could be inequitable, ten checks could be fair. The real issue is whether income received from the government is validly earned.

The point is that a person's pension is validly earned **on the day he is eligible for retirement**. It is part of his payment for labor over a working career, plus a contribution he himself has made from his salary. Now, if the retired employee is hired again to work for the government, he properly receives a salary check for current labor at the established rate. There is really no valid objection to the number of checks received in this situation. What one can properly debate is whether or not the nature and amount of income received are justified. This is quite a different issue. Furthermore, an attempt to remedy a return felt to be excessive by disallowing one or the other check (or some fraction thereof) as indefensible "double-dipping" in effect affirms that two wrongs make a right.

In the final analysis, the proper criterion of proper recompense is that a person should receive what he has earned—no more and no less.

OPM has stated that "Federal policies on part-time employment before and after retirement are designed to be equitable." But, however strong OPM's intention, an equitable policy has not yet been achieved. It is therefore to be hoped that with the increasing interest in both part-time employment and phased retirement, existing procedures can be reviewed and revised as necessary to more fully achieve the goals of fairness to all concerned.

[redacted]

This phased retirement plan has advantages for the government beyond the obvious benefit of more satisfied and productive older employees. While governments (and societies) should be interested in the welfare of older citizens, there should be no less interest in the welfare of the young. Elimination of mandatory retirement in the civil service has certainly contributed to the welfare of older workers, but, it could be argued, at the sacrifice of job opportunities for younger workers.

It is surely a law of physics that a younger person cannot occupy the same full-time job already held by an older person. A younger person can, however, occupy a job created when two semi-retired persons each work half-time. This would appear to be a Solomonic response to the challenge of considering the welfare of both older and younger workers through enlightened personnel administration.

Not the least significant effect might be to strengthen the voice of elder statesmen in the Federal work force—to pass on the wisdom of the past, while strengthening the participation of the young to pursue the innovations of the future.

Leo Crespi is a psychologist who is Senior Research Advisor in the International Communication Agency.

Managers Reading Digest

[redacted]

A comment that is surely being uttered with increasing frequency these days, especially as managers begin discussing performance appraisal plans with their supervisors, goes like this: "But how can you hold me responsible for that when I don't have the authority to make it happen?"

Rufus Miles, Jr. takes a rather jaundiced look at this excuse in a provocative article in the Summer 1979 issue of *Organizational Dynamics*. To quote: " 'A manager's authority should equal responsibility; otherwise, he cannot fairly be held accountable for the success or failure of his organization.' So goes an old maxim of management, now obsolete, if it ever was valid, but still mouthed by people whose administrative acquisitiveness exceeds their managerial wisdom. The plain fact is that in any large organization, it is impossible to give managers authority equal to their responsibility. Most managers cannot be given total control over pay levels for their subordinates, the procedures for hiring and firing personnel, or the location of offices and plants. They do not have full control over their contracting procedures or the design of their accounting and control systems. In respect to these and other control and service functions, such as management auditing and various types of research, a centralized design may be selected by top management. Subordinate managers with large areas of responsibility may chafe under some aspects of this organizational arrangement, but with rare exceptions, they are better off accepting it-and demonstrating that they can make this system work."

[redacted]

"This may be well and good," I can hear some managers replying, "but we're still going to have our performance appraised and our bonuses determined on the accomplishment of things that may be beyond our control."

Fortunately, there are some techniques to help deal with this dilemma. One good one was spelled out in the September 1979 issue of *The Personnel Administrator*. In an article entitled, "Combining BARS and MBO," authors Craig Schneier and Richard Beatty recommend a performance appraisal system that integrates measures of effectiveness (MBO) with measures of behavior or activities (BARS)—which stands for behaviorally anchored rating scales. In other words, you can develop a format for evaluating not just what a manager accomplishes, but how he or she goes about the effort. To use a restaurant analogy, the goal may be getting meals served, but if you are the potato peeler, you ought to be evaluated on how many/how well/how quickly you peel those spuds.

[redacted]

Jean Houston, President of the Association of Humanistic Psychology, makes the point that we should focus on ways of expanding the human potential within all of us, and shifting our emphasis from holding others accountable to holding ourselves accountable. We will see a lot more progress, in her view, when everyone in government begins accepting responsibility (internal accountability) for doing the best job possible. By the way, she estimates that most of us use only 5% of our mental capacities.

[redacted]

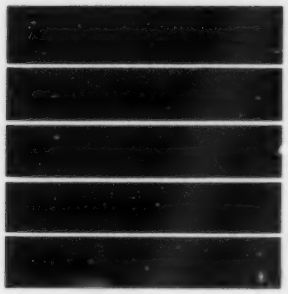
"The major criticisms of committees often come from those who are not invited to serve on them." David Brown, Professor of Management, George Washington University.

[redacted]

Is another oft repeated maxim. Yet few efforts are made to actually place a value on the human resources of an organization. Every agency worth its salt knows the value of its physical assets, the expenditure of its grant funds, etc., but how many know what its turnover rate costs the organization? How many know **the value of a senior staffer** with 15 years' experience? Despite the obvious difficulties of placing a value on people, considerable work has been done in what is generally called human asset accounting. Those who want an overview of the different approaches to human asset accounting can find a good description in *Human Resource Planning*, Vol. 2, No. 2, 1979.

[redacted]

"Of course I want it today. If I wanted it tomorrow, I'd ask for it tomorrow." Sign on an Army colonel's desk.



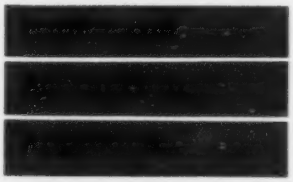
You know the old line . . . who borrows your watch to tell you what time it is, and then keeps your watch.

Despite the frustrations that managers often experience in dealing with consultants, the use of consultants does seem to be rising. The Office of Personnel Management, in fact, has established a new Office of Consulting Services, as part of its shift in emphasis from regulation to a "Yes, you can" attitude of help and assistance.

How can managers make best use of consultants? A timely response to that question can be found in the September/October issue of the *Public Administration Review*. In an article, "Consultants and Technology Transfer in the Public Sector," the authors, Richard Pattenaude and Larry Landis, make the point that "Effective utilization of a consultant depends on the ability of management to develop an accurate perception of the task to be accomplished, to choose a consultant who is equipped to do the task accomplished, to create the machinery and organizational environment which will promote the success of the plan or design."

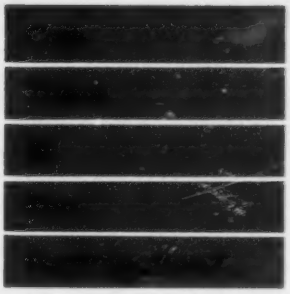
The authors spell out four different roles of a consultant. One is helping improve the internal management and cohesion of the organization. A second is where the consultant takes on a management role as a project manager for a particular job that needs to be done. A third is the familiar analytical role involving researching a problem and writing a report with recommendations. The fourth is the "augmentation" role in which the consultant serves as an additional staff resource to help get a job done.

The authors discuss the advantages and disadvantages of these different roles in terms of technology transfer potential—i.e., the residual impact that remains with the organization after the consultant has gone.



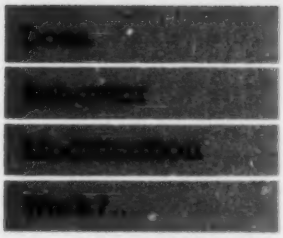
OPM's Training Research and Development Division has developed a new method for assessing the effectiveness of employee on-the-job training programs: the Participant Action Plan Approach (PAPA). PAPA will help managers ensure that time and money invested in employee job training pays off in improved job performance.

A full description of PAPA, including a summary of the process, guidelines on when it should be applied, and a discussion of the training decisions which managers can make, is now available on request. To obtain a copy, write the Training Information Branch, Room 7453, Office of Personnel Management, 1900 E Street N.W., Washington, D.C. 20415.



One widely held belief is that when people participate in goal-setting and decision-making processes, they develop greater "ownership" and more commitment to the goals or decisions. Well, there is always a contrary viewpoint on every subject, at least in the social sciences. Here comes one from the authors of "Tough-Minded Management by Objectives" in the Summer 1979 issue of *Human Resource Management*.

John Aplin and Charles and Peter Schoderbeck argue it is a "fallacy" to conclude that "there should be a joint determination of goals since participation in goal-setting increases commitment and goal achievement." The authors conducted a research project of their own which they say resulted in "greater dissatisfaction, more negative attitudes towards their bosses, and disenchantment with the MBO approach when they were allowed to participate extensively in goal-setting."



Organizational behavior modification programs have been receiving increasing use in the private sector, and several federal agencies are currently running demonstrations of what are sometimes called "feedback and positive reinforcement" programs. There are numerous publications and journal articles which explain the process. One good primer is *Behavior Modification in Business, Industry, and Government*, published by Behavior Improvement Associates, New Paltz, N.Y. But what about results?

The Winter 1979 *Journal of Organizational Behavior Management* has an article by Frank Adrasik that analyzes the adequacy of some 20 studies that have been undertaken of actual applications of O.B. Mod., as it's known to acronym lovers. He concludes that "The results are encouraging, given the relative youth of O.B. Mod. approach." That is, the applications he reviewed "impact favorably on worker performance." He adds that more attention needs to be devoted to the reliability of the studies, the cost effectiveness and long-term effects of the demonstrations, and the relative effectiveness of O.B. Mod. vs. other non-behavioral approaches to improving performance.

Manager's Reading Digest is written by ArDee Ames, Director of the Special Programs Consulting Division, Workforce Effectiveness and Development Group, OPM.

In Brief

EXCEPTED SERVICE APPOINTEES HAVE PROPERTY RIGHTS IN THEIR POSITIONS

The Court of Appeals for the District of Columbia has held that excepted employees can be terminated only for job related reasons. The Court also held that the FBI Handbook as well as the letter given to an FBI mail sorter at the time he was hired gave the employee the expectation that he would retain his position in the absence of poor performance. On that basis, the court found that although FBI positions are labelled "excepted service", the expectation of continued employment given the employee created a property right which could not be taken without due process procedural protections.

Appellant resigned subsequent to being told that he would be removed for admitted homosexuality. He later filed suit, alleging that his resignation had been coerced, that his property right in his position had been taken without proper procedures and that he had been removed for reasons having no relation to the performance of his job, therefore violating his First Amendment rights. The district court held for the government on the ground that the plaintiff occupied an excepted service position and therefore could be summarily removed.

On appeal, the Court of Appeals found that no federal employee could be removed for homosexuality without a showing that such an action was job related. It was not clear from the record before the court whether FBI had an absolute policy requiring the removal of homosexuals. Nor had it been shown whether any relationship had existed between appellant's homosexuality and his removal from his position as a mail sorter.

Relying on a letter given plaintiff at the time he was hired that provided for a probationary period for him to demonstrate his fitness and an FBI Handbook stating "you may assume that your position is secure, if you continue to do satisfactory work", the court held that the agency had conveyed to the employee the belief he would continue to serve unless his performance was unsatisfactory. Therefore, even though his position was "excepted by law from the competitive Civil Service", the court found the employee had a property right entitling him to a due process hearing upon termination.

The court remanded the matter to the district court to make the threshold determination of whether appellant had been coerced into resigning. If the district court should find that the resignation had been, in fact, coerced, it would then be necessary to hold a hearing to determine whether appellant's homosexuality constituted a job related basis for his removal. *Ashton* v. *Civiletti*, D.C. Cir., October 4, 1979.

MSPB TO SET STANDARD FOR "HARMFUL ERROR" IN AGENCY DECISIONS

The Merit Systems Protection Board will soon determine the kind of agency errors which will lead to reversal of agency actions on appeal. The approach taken by the Board in a case now before it will delineate the new standard of "harmful error" prescribed by the Civil Service Reform Act. The Act allows reversal of such agency actions as removals and suspensions *only* when an appellant shows that the agency error prejudiced his rights so severely that it more likely than not influenced the result. Thus, a mere technical oversight, or an error which the agency later remedied, should not be sufficient to support reversal of an agency decision under the new standard. Rather, the error must have been a substantially prejudicial one.

OPM has intervened in the appeal of a postal service employee in order to address the application of this crucial standard. The employee was removed from his postal service position for illegally participating in an unlawful work stoppage. He asserts that his argument that he was in a union alcoholism program was not considered by the agency official who removed him. Since his enrollment in that program had no relevance to this participation in the work stoppage and therefore could not have affected the ultimate result of the agency decision, OPM believes that no harmful error occurred if it was not considered. *Graham* MSPB No. NY 075299008.

AGENCY MUST BARGAIN WITH UNION BEFORE IMPLEMENTING REORGANIZATION

The Federal Labor Relations Authority found an agency guilty of an unfair labor practice in failing to afford the union adequate advance notice and opportunity to bargain over the impact and implementation of an impending reorganization and reduction-in-force. The agency notified the union of the impending reorganization almost two weeks after the head of the agency approved the reorganization and ten days before RIF notices were distributed. One week after notice of the reorganization the union came forward with a series of 20 negotiating items, and the agency and union had not reached agreement or impasse by the time the RIF notices were issued. The Authority affirmed the administrative law judge's holding that notice to the union must be prompt and sufficiently in advance of the contemplated actions so as to permit reasonable bargaining about the implementation and impact of the RIF. Absent any emergency or other compelling consideration, the parties must fully and reasonably exhaust their bargaining and negotiating, to impasse if no agreement is reached, before the agency can institute the RIF. National Science Foundation and American Federation of Government Employees, Local 3403, 1 FLRA No. 116, September 24, 1979.

In Brief, a regular summary of news on legal matters of interest to goverment managers, is prepared by Margery Waxman, General Counsel, OPM.

Wage and salary determination, equal employment opportunity and affirmative action, collective bargaining, and productivity are among the most important personnel issues facing government over the next two years.

This is one of several findings of a just-released base-line data survey of state and local government personnel systems. The IPA-funded survey was developed and conducted in cooperation with the National League of Cities, the National Association of Counties, and the Council of State Governments. Information was gathered from the governments of 50 states, 2,100 cities, and 1,200 counties with response rates of 96, 18 and 14 percent respectively.

Findings

The Council of State Governments recently completed analyzing the data. In addition to pointing out future personnel issues, the survey findings show that:

- Between 40 and 50 percent of the cities and counties surveyed lacked the professional leadership of a full-time personnel director, one of the key indicators of a minimal staffing situation for the personnel function.
- At all three levels of government, the major part of the personnel budget was spent in the three traditional areas of employment: classification, compensation, and general administration. Relatively little was spent on EEO, labor-relations, and training.
- None of the three levels of government made extensive use of vigorous outreach methods of recruitment to attract qualified minority and female applicants.
- Significant percentages of cities, counties, and states lacked a comprehensive EEO affirmative action plan and/or an upward mobility program.
- All three levels of government felt that their need for outside assistance will be greatest in the areas of training, test validation, and employee compensation. The Office of Personnel Management was most often identified as a desired source of such assistance. Others named were the International Personnel Management Association, universities, private consultants, and other organizations.
- Top management officials at all three levels of government felt that their personnel systems were weakest in helping them implement their policies and programs, fulfill their responsibilities to minorities and women, and get satisfactory services from employees.

States

The survey disclosed several interesting personnel characteristics of state governments, which had the highest response rate (96%). Ninety percent of the states indicated they use job analysis in developing or revising selection procedures, and 89 percent reported having a current written affirmative action plan. Twenty-four states indicated that a percentage of their personnel budget, ranging from 1 to 38 percent, was spent on EEO. Those states where the personnel office had responsibility for EEO and affirmative action reported a percentage of the budget for EEO more often than any other group. Forty-four states indicated they provide or arrange for employees to participate in training and development activities.

The survey was undertaken at the request of the federal Office of Management and Budget as part of the effort to evaluate the need for and effectiveness of the IPA grant program. The data collected represents the most extensive and valid information available on the strengths and weaknesses of state and local government personnel systems. "The completed base-line data report will be an important first step in assessing the current status of public personnel management nationwide. "The findings should enable OPM and state and local IPA planners to better target IPA programs to meet priority needs."

The published report lists survey results individually for all three levels of government, and includes a comparison of state, city, and county results. Single copies are available from the Office of Personnel Management, Intergovernmental Personnel Programs, P.O. Box 14184, Washington, D.C. 20044.

State and Local Notes are prepared by the Office of Intergovernmental Personnel Programs, OPM.

REVIEWS

The big byline in this first issue, an article by Admiral Hyman Rickover on the good—and bad— sides of Federal management. Fasten your seatbelts before reading!

Mike Causey,
The Washington Post

If you think this is another stodgy government publication, forget it. Judging from the first issue, the OPM has a winner on its hands.

Joseph Young,
The Washington Star.

This one is surprisingly good-looking for a government publication....

Tom Zito,
The Washington Post.

LETTERS

Over the years the Civil Service Journal has been a good vehicle to keep managers and staff people informed and to provide a forum for their ideas. The shift in focus shown in Management should increase readership and the effectiveness of this worthwhile effort by more clearly demonstrating its orientation to managers.

Carl W. Clewlow,
Deputy Assistant Secretary of Defense.

It really is handsome and readable and even interesting. It also seems to me that it is both relevant to the concerns of senior career managers and calculated to raise their self-consciousness and self-esteem.

Si Lazarus,
Associate Director for Government Reform,
The White House.

...was most interested in Jere Yates' advice on "Managing Stress" and will use it in our counselling program. You are off to a fine start.

Doris E. Pierce,
The Library of Congress.

It appears to be an excellent publication and one that will be of great assistance to our Federal employees.

James M. Hanley,
Chairman, U.S. House Committee on Post Office and Civil Service.

The new Management magazine is indeed a tribute to the professionalism that exists in the Federal Government. Your publication will undoubtedly be not only popular, but extremely helpful to all of us who have an interest in improving and maintaining the high caliber of Federal management.

Ted Stevens, U.S. Senator.

The contents of this first issue establish it as an important venture in educating managers in the business of running the Federal Government. It is particularly valuable for me as I begin my job of management here in HUD. I congratulate you and your colleagues on the skillful presentation of a subject as elusive as the practice of management.

Moon Landrieu,
Secretary, HUD.

If future issues maintain the quality and timeliness of the articles in Volume 1, No. 1, you have a sure winner.

Susan B. King,
Chairman, U.S. Consumer Product Safety Commission.

The first issue is most interesting and informative and I look forward to keeping up with new ideas being presented to and by our government employees.

Jamie L. Whitten,
U.S. House of Representatives.

I read your September 1979 issue of Management. It was super! I truly enjoyed it ...I completely understand what you were trying to do with the red "stress" page and the white copy. It was a great idea but it simply did not work. Why, because the text is just too hard to read... Thanks for putting out such an outstanding publication. Semper fidelis.

Stony Merriman, M. Sgt.,
U.S Marines,
Barstow, CA.

I particularly enjoyed the Al Zuck and Admiral Rickover articles. Keep it up and this will be a widely read publication.

Joe Robertson,
Executive Director,
National Association of School of Public Affairs and Administration.

A quality publication such as Management will, in addition to providing a useful communication device, do wonders for the morale of the career service. I am already looking forward to next quarter's issue.

Howard Messner,
Assistant Director for Management Improvement and Evaluation,
Office of Management and Budget.

Congratulations on your new magazine for government managers. When I first heard about it, my gut reaction was, "Oh, no, not another government publication. We already have more than my busy schedule will allow me to read." Frankly, I found it refreshing. I like the color. More important, I found it short and punchy. And, to my surprise, I found myself reading nearly everything in it. I hope you...resist making it any thicker.

Edmund N. Fulker,
Deputy Director,
Department of Agriculture Graduate School,
Washington, D.C.

You and your staff are to be commended. The magazine is very well written and graphically exciting. It should certainly contribute to better government—and we're all for that.

Jim Mattox
U.S. House of Representatives.

I was pleasantly surprised to see that "Management" is published by OPM. It's refreshing to see a government publication addressing some of my personal concerns, namely stress on and off the job and time management. The entire publication was worth my time reading and I'm looking forward to the next issue.

Amy Lacy,
Stanislaus National Forest, CA.

SURVEY CARD COMMENTS

Articles Like Job Elements and Performance Approach (sic) are technicians' approach to solution of management problems. Nonworkable.

Washington, D.C.

If you have to jazz it up to get people to read it, then forget it.

Naval War College, Newport, RI.

Zippy.

No postmark.

Excellent, well-constructed journal that is timely, informative and beneficial to growth in image of the Federal manager and executive.

Dover, NJ.

Maintain this quality! This classy publication is the best thing that has happened to this field in forty years.

Tucson, Arizona.

Emphasis on efficiency and effectiveness. Most Federal managers don't understand what this means.

No postmark.

Explain (if you can) comparability pay for SES vs. political considerations of Congress. P.S.: I'm retiring just as soon as I can.

SES Member, Louisville, KY.

A little levity page, please. All work makes Johnny (and Jane) a dull boy (girl).

Southwest Region.

The cover, depicting a faceless bureacrat with a mechanist mind, old-fashioned fountain pen and grasping a piece of the rainbow is not appreciated. ...Is this the image we wish to project?

Washington, D.C.

(Suggest) presentation of responsible and objective viewpoints from those who differ with official OPM policy on the success and benefits of CSRA.

Potomac, MD.

This magazine is mostly a waste of time and money. It should be discontinued.

VA.

Make it practical or discontinue it.

No postmark.

Emphasis on theory is the best thing that ever happened to practice.

Kansas City, MO.

Thanks for a professional job. It's great to hear what managers expect from personellists.

No postmark.

Eliminate the word personnelist—it's gimmicky. Find material that is work oriented. People interacting do work. It's the position orientation of those who call themselves "personnelists" that's the problem, not the solution.

New York, NY.

Attention should be directed toward the realization that present trends in organization and administration serve to frustrate effective managers. Rickover article is realistic on this score.

Northern VA.

Work habits and attempts at defining a "work philosophy" by specific people (such as Zuck and Rickover) is an excellent idea. There is a need for a consensus as to what "Government management" is.

Washington, D.C.

Get the hell out of the tower and down into the pits to see what life is all about.

Baltimore, MD.

The issues are relevant to all managers and are not bogged down in civil service lingo. I look forward to future issues.

No postmark.

It's about time we showed a little class. This is "class."

Dallas, TX.

Article Suggestion—Hints on how to tell your boss, diplomatically, to get off his a__ and do some work!

St. Louis, MO.

Mostly fluff, the Journal was better.

Washington, D.C.

(On the performance appraisal article) There is a tendency by top or agency OPM people to make critical elements too general so the same element can be used for all people of the same grade and classification. Unless they are specific they are of no evaluation value. Their reason is to prevent a grievance based on one employee with a different standard.

Minneapolis, MN.

It was excellent—well presented and balanced. Is being passed around on demand!

Washington, D.C.

Readability would be increased by non-glare paper; the orange and white is striking but hard to read.

Killeen, TX.

(For the record: The paper specified last issue was the stock used in this issue—not coated stock. The printer substituted coated stock. Ed.)

Please keep sending this magazine.

Ponce, PR.

Really good issue. I like the articles summarizing actual experience.

Cincinnati, OH.

Don't want articles about academic topics, studies, etc. Tell us what is, not what might be. Each article in this publication is perceived as official sanctioned procedure.

Washington, D.C.

Add to each issue a comment on some aspect of Government management by someone from the Hill—someone outstanding.

Vienna, VA.

Keep 'em coming.

Lansing, MI.

Should be sent to all personnel and training types.

Brooklyn, NY.

Have juxtaposition of organization objectives, managers' application of systems or theories and results. Tactfully present less or unsuccessful applications with objective and subjective consequences to provide perspective and balance. Mistakes and their remedies can provide valuable learning tools. Too often we evaluate ourselves using a "rose-tinted glass" approach.

Stamping Ground, KY.

(On future issues) Hopefully there won't be any!

Washington, D.C.

More on "how-to!"

IN.

Try to speed up the method of distribution. Our agency apparently receives "bulk shipments" and redistributes them. Publications of this type are frequently a month or more old by the time they reach field facilities.

West Lafayette, IN.

Congratulations. One of the best magazines I've reviewed. Subjects are excellent and informative.

Boston, MA.

How about an article pointing out problems with CSRA? They are real!

New Orleans, LA.

The abstract drawings/pictures or whatever you call them connected with the Admiral Rickover article (he's absolutely right) are a waste of paper and money. That's exactly the kind of worthless junk he's talking about.

Alexandria, VA.

I'm a GS-14 and find your Management, Vol. 1, No. 1 excellent!

Flushing, NY.

Articles should convey techniques found useful, not sales pitches. More teaching and less preaching.

Seattle, WA.

Good format; short and crisp. Avoid obvious sells with one side of story, i.e., legislation, reform incentives. Lean to practicality, not pie in the sky. It would take 100 years and a billion dollars (at least) to set performance standards using job element system.

San Antonio, TX.

Keep them coming. We managers in the field need all the help we can get.

Honolulu, HI.

Overall good approach; the objective of professionalism comes through....Appreciate that someone realizes this is what we need to nurture the most in government today.

Washington, D.C.

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series 171) was issued for
Management in January
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Since FPM Bulletins are normally distributed to offices of Federal Directors of Personnel, you may want to contact that office in your agency to express your desire to get copies through the rider bulletin method. (The Government Printing Office does, however, accept rider bulletin orders placed directly by field installations.) Copies will be mailed directly to addresses as specified.

If you do not receive a copy of the FPM Rider Bulletin in January, call us (202-632-4400) and we will send you one. Thank you for your interest in **Management**.

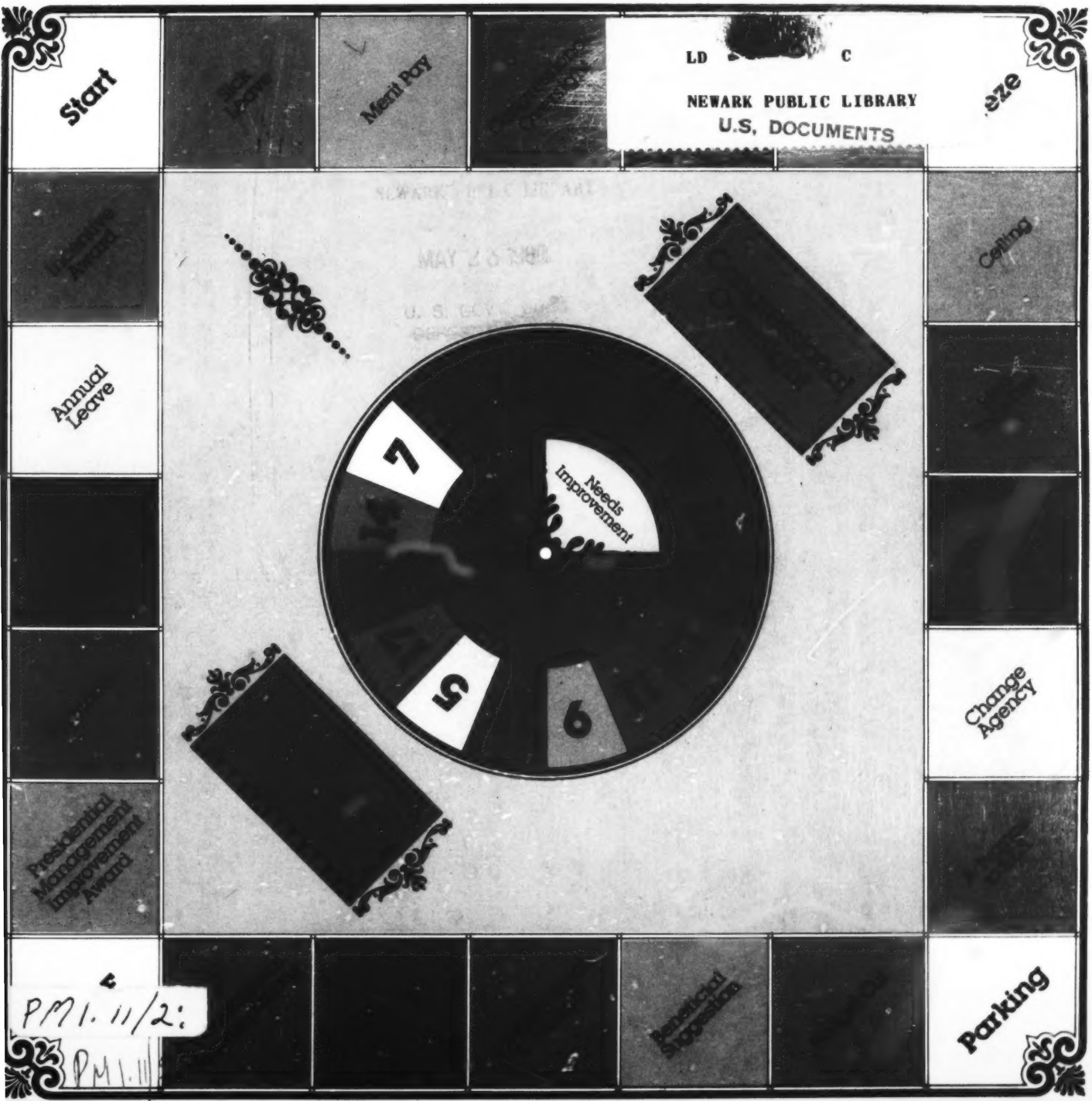
1/3

A MAGAZINE FOR GOVERNMENT MANAGERS

MANAGEMENT

Volume 1, No. 3 *Spring 1980*

U.S. Senator David Pryor on Contracting Out



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Foreword

Civil Service Reform: Management at Work

This magazine began publication with the caveat that management is something you do, not merely a collection of theories for discussion. In that spirit, for the past fourteen months, the Federal Government has been bringing to life the most comprehensive management improvements to its personnel system in nearly 100 years.

The impetus for these improvements is the Civil Service Reform Act, which emphasizes better general management of Government programs through changes which allow and encourage Federal personnel to be more efficient, effective, and productive.

The full benefits of the Reform Act will not be realized for several years, and a number of the reforms are not required to be in place until October 1, 1981. We must resist, therefore, the temptation to make a rush judgment of the legislation's success. But, it is clear that excellent early progress has been achieved in many areas.

The Senior Executive Service is in place and working effectively throughout Government. SES membership has been accepted by over 98.5% of those eligible. These individuals are bringing increased flexibility and accountability to Government management. The SES encourages innovation and is allowing the best managerial talent to attack the most difficult management problems.

The design and inauguration of performance appraisal and merit pay systems is on schedule. Some agencies will start these programs this year. All 7,000 SES personnel are covered by appraisal systems, and OPM has approved non-SES performance appraisal system plans for over 300,000 employees. These systems will ensure that management decisions ranging from pay and bonus determinations to separations and demotions will be based on evaluations of objective performance-related standards.

The reforms place a major emphasis on decentralization. Personnel management authorities are being delegated to agencies and their subelements. For example, a number of these organizations are beginning to do some of their own examining and hiring to speed up these processes and fill jobs with individuals best suited to special program needs and requirements. Fifty-five important authorities have been delegated thus far, and more are contemplated to help managers gain greater control over their activities and operate with more flexibility and effectiveness.

Unless the Civil Service Reform Act improves governmental performance, it will not have succeeded. One measure of performance is productivity, and OPM has been given responsibility for helping increase public sector productivity on the Federal, State, and local levels. Components of our productivity program include improving and expanding public sector productivity measurement systems, encouraging research and demonstration projects which promote productivity improvement, and developing a public library of knowledge about productivity. At a time when the Nation is demanding fiscal restraint by government along with more government programs, the only way to meet both these needs is to increase productivity. The 1.7% increase in Federal productivity in FY 1978 was a good beginning, and exceeded the performance of the private sector, but we must continue to improve on that achievement.

The focus on management embodied in the Reform Act is a tribute to the vision of the President and the Congress. In recognition of the bipartisan leadership which brought the legislation to enactment, and to recognize outstanding management by Federal Departments and agencies, two special awards for excellence in civil service reform implementation were created this year. The Ribicoff/Percy Award was won by the Department of Justice, and the Udall/Derwinski Award by the National Aeronautics and Space Administration. Other awards for Management reform went to the states of Utah and Vermont, and to the National Conference of State Legislatures. Good government management deserves reward and recognition, and implementation of the Civil Service Reform Act is ensuring that there will be more good management to reward.

All Federal managers can be proud of their achievements in implementing civil service reform. I look forward in future issues of this magazine to reading more about what is being done to improve government management, including concrete proposals for tackling tough management issues, such as the questions about Federal contracting raised by Senator Pryor in this issue. By keeping the lines of communication open, we can help one another to manage better. As civil service reform is demonstrating: together, we can make Government work.

Alan K. Campbell

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AN INTERVIEW WITH U.S. SENATOR DAVID PRYOR

Q. You have served as a State Representative, Congressman, Governor and Senator since you were first elected to public office in 1960. How has government changed in that time?

A. Obviously, it has become much more complex. That trend, of course, began long before I was elected, began at least 30 years ago. Congress has delegated an enormous amount of its power to regulatory and administrative agencies. For the most part, that is both understandable and acceptable. But the agencies have, in turn, passed that authority on to consulting firms which are, to a very great degree, beyond accountability. Far from the people or their elected representatives, decisions are being made which affect the lives of our citizens. That is a dangerous trend, an undemocratic one, and I think it may even be an unconstitutional one.

Q. Could you be specific? Could you give me an example of what you find troubling?

A. Sure. All of us are immensely concerned with the cost of government regulations. The Senate Committee on Governmental Affairs, in considering regulatory reform legislation, has mandated analysis and impact statements on the cost/benefit ratio of regulations. What happens? Instead of making the analysis in house, agencies turn to outside consultants, often on sole source contracts. As a Senator, I don't want the views of some anonymous consultant. The theory that judgements made "out there" are more objective is false.

There are serious potential, if not actual, problems of conflict of interest as unaccountable outsiders begin to make basic decisions for us. The decision on whether a regulation is too costly or not is not a decision to be left to a kind of shadow government that is neither elected nor appointed. I repeat: it is a very dangerous trend.

Contracting out has another debilitating consequence. Because it is a lucrative business, private firms can recruit government career employees because of higher salaries.

Q. Is that a real problem?

A. Sure it is. Contractors have the ability to pay more money and offer other inducements. They attract some of our more able people, leaving government less able to do what Congress has mandated because we've lost that manpower. The agency then says, "Look, we don't have the proper manpower to

do what you ask. We need money to go outside."

That just doesn't make sense. We are creating an insatiable monster that is devouring our own people. As a result, we are already to the point where we are mandating regulatory reform responsibili-

ties to agencies knowing full well that they may not have the expertise left to do the job.

But we haven't reached a point of no return. I think we can, and must, do these jobs within government. We can do it at less expense and more efficiently and responsibly. We still have the opportunity to save ourselves if we act, instead of just accepting the inevitability of contracting out.

Q. How big do you think the contracting out business and bureaucracy is?

A. No one knows precisely. I don't. Our committee doesn't. We all have tried to find out. Even the President doesn't know, and he has been possibly the first President to really try to get a handle on it. During his first month or two in office, he directed the Office of Management and Budget to report on the number of contracts, how much and with whom. There are billions of dollars of contracts out there, and in three years of trying hard, OMB has not been able to come up with a complete list. It is so institutionalized—beyond party or administration. It's incredible. We are shooting in the dark when we try to question what's going on.

Q. Is there something that should be done, that will be done?

A. Well, I'm trying . . . by oversight, by statute . . . to bring some sunshine into the consulting business arrangements with governments. I want us to be able to identify who the consultants are, how they got their contracts, who signed off on each one, for what reason it was given and whether it was sole source or competitive. Demanding that kind of information on each contract would be a huge first step into the sunshine.

Q. Are you saying that all the money spent on consultants' contracts is wasted?

A. No. Some of it is useful. Some of it is even necessary. But, as I've said, nobody knows. GAO has analyzed the results and says that in one department, the Department of Defense, almost 40% of the results are never looked at and obviously, therefore, never used.

Beyond that, many more contracts should never be let because the subject has already been studied, either in another part of the same agency, or in another agency. The system goes on its inefficient and expensive way because everything is so fuzzy. We don't have a clearing house on proposed contracts to match what is proposed with what is available or being done elsewhere. Who knows what wisdom is covered with dust on some shelf? If we eliminated duplication and the 40% nobody reads, we could probably save half of what we spend on consulting contracts.

Q. Would you have a single clearing house? One for each agency?

A. Well, I started out with the idea of one clearing house for the entire Federal government, but I think that is probably too unwieldy and not the way to begin. I would now start with one for each department. And I'd make them report to Congress annually.

Q. Are there some agencies worse than others?

A. The answer is yes, but I really don't want to point fingers at anyone, where they don't have a chance to respond. In any case, it is a government-wide problem. I would guess that some agencies farm out half their professional work to consultants. They become great big laundries . . . legal ones, of course . . . which pass huge quantities of appropriated money through to private firms. It's a welfare program for PhD's. It's a very scary thing to have questions of basic concern to this nation being decided by faceless private institutions and people. Back home, we'd say that's swimming in very sharky waters.

Q. Some managers would not agree with you. They feel it is cheaper and more efficient to go outside to get a job done, rather than hiring career civil servants with the long-term burden of medical benefits and retirement and salaries. What do you say to them?

A. Of course there are going to be many instances where there is technical expertise outside government that we need and need quickly. That is the benefit of contracting out—reaching out to what you don't have available.

What I object to is the mentality of never considering alternatives to contracting out. It has become a Pavlovian reaction. Got a problem, get a consultant.

I am not saying get rid of all consultants. I am saying justify the contracts. I am saying use career public servants more. If we did, we'd eliminate a lot of what I see as bad procedure.

Q. What about employment ceilings? Good or bad?

A. I'm not for hiring anyone we don't need, but we have made such

a virtue of employee ceilings and not adding anyone to the payroll that we are deluding ourselves. The bottom line is the amount of dollars we spend, not how many Federal employees we have. It is really deceitful to say with such pride that we have kept the number of employees down while we tremendously increase the dollars going to consulting firms.

Q. Will there be new regulations, new standards, more oversight on contracting out?

A. Yes. Hopefully this session. But if not now, then soon. I mentioned earlier some of the things I think need to be known about every contract. I have proposed that those questions and others like them be answered for every contract let. I hope ultimately to have all agencies of government covered by this kind of sunshine legislation. When I am successful, and I intend to be, we will, for the first time, know what we are doing and where we are in the field of consultants and contracting out.

You haven't asked, but I want to add something here that I've thought about for some time. The consultant problem is not just a Washington, D.C. problem. It is not just a Federal problem. It exists on a state and local level, too. And, to a large degree, I think it is a problem because Federal regulations and policies, often written by consulting firms, lock in the need for state and local governments to hire consultants to perform certain tasks and to meet certain criteria before grants or loans are made. We see an increased entanglement of the consulting industry on Federal, state and local levels. It's a vicious cycle.

Q. You spoke earlier of constitutional questions of contracting out. Could you expand on that?

A. I don't pretend to be a constitutional scholar, but I think we are very close, in many instances, to the improper delegation of authority. I frankly think that consultants are establishing Federal policy, something that was not contemplated by the Constitution or Congress. It's tough enough for citizens to try to hold their elected representatives accountable and responsible. They can't touch the consultant hiding in the murky waters of contracting out. That is no way to govern. That is no way to restore faith in government.

"I frankly think that consultants are establishing federal policy, something that was not contemplated by the Constitution or Congress."

"It's a very scary thing to have questions of basic concern to this nation being decided by faceless private institutions and people."

"As a Senator, I don't want the views of some anonymous consultant."

"What I object to is the mentality of never considering alternatives to contracting out."

"Even without new legislation, I hope that managers will take it upon themselves to question their own actions in contracting out."

"The bottom line is the amount of dollars we spend, not how many employees we have."

Photos by Norman Sherman

Q. How has this all come about?

A. Well, the complexity we talked about at first, the involvement of government in more fields, in more technical fields. I think, too, maybe both Congress and Federal managers have been too casual with defining who establishes policy. I hope to do something about that. Even without new legislation, I also hope that managers will take it upon themselves to question their own actions in contracting out.

I can tell you that I am looking closely right now at an arrangement one major agency has with some of its contractors. They provide what amounts almost to a retainer fee to a consulting firm, saying, essentially, "We will be calling on you from time to time for advice. When we use up your retainer, let us know and we'll give you some more." It's an outrageous system.

I know that managers need discretionary power, but it shouldn't be so discretionary that it abuses the public trust. Responsible managers should be able to defend their actions . . . and their results.

I don't expect to solve the problems of contracting out by myself or quickly. But I intend to persist until I have the allies to do so. The American people deserve better than having their lives regulated by consultants to agencies who have been directed by Congress to do something.

David Pryor (D-Arkansas) was elected to the U.S. Senate in 1978. In addition to the Special Committee on Aging and the Select Committee on Ethics, he serves on the Senate Committee on Agriculture, Nutrition and Forestry and the Committee on Governmental Affairs, where he is chairman of the Subcommittee on Civil Service and General Services.

JUMPS AT JUSTICE

A MODEL FOR MERIT PAY

By Ben W. Wiseman

Note: Management's reader survey strongly indicated that Federal managers want more "how to" information on many subjects, particularly on implementing civil service reform legislation. With merit pay implementation dates fast approaching, the following article provides a detailed look at the Justice Department's proposed system and the problem-solving process behind it.

"The trouble with merit pay . . ." is an opening phrase heard frequently in the corridors of federal office buildings these days. The new plan, which links paychecks to performance, is distinctly different from the time-in-grade approach of the basic General Schedule. The advent of merit pay, which will apply to supervisors and management officials who occupy GS–13, GS–14 and GS–15 positions, is being awaited by some managers with a level of pleasure akin to that produced by the announcement of a new tax increase.

However, although apprehension about this drastic change is perfectly normal, it should be recognized that the new approach is the result of a deliberate policy choice, not chance. And under the Civil Service Reform Act, it is a matter of law.

I hope this article will bring a greater degree of understanding of the subject. My purpose here is not to dispel the fears of uneasy employees and skeptical managers, but rather to describe, from a pay technician's point of view, one merit pay system model—the proposed Department of Justice Merit Pay System (JUMPS).

PLANNING

Organization for the Task

In June 1978, the Director of Personnel at the Department of Justice established a task force to oversee implementation of the Civil Service Reform Act. As chief of Position and Pay Management, I was given the job of developing the Department's merit pay system. A committee, consisting of an executive assistant, a manager of administrative support operations, a computer programmer, a systems accountant, and two position management and pay chiefs, was established to assist in the endeavor.

Goals. First, we identified the elements needed to install a merit pay system. Three were decided upon: 1) a directive describing the plan and setting out the policies and procedures for its administration, 2) a plan for training officials who will rate the performance of merit pay employees, and 3) an informative brochure for employees whose paychecks will be affected.

Next, the vital components of the pay plan itself were identified. These include a distribution system, a computer system, a linkage system, and a critical events timetable.

SHAPING THE MODEL

Design criteria. Early in the project, we recognized the need to get down to basics in order to give the project focus and to clarify its rationale to others. One of the very basic considerations is: why does an employer need a pay system at all? There are three fundamental reasons: (1) to plan and control costs; (2) to attract, retain and motivate competent workers; and (3) to use pay incentives to get work done efficiently and promptly. Simple? Yes! Important? Extremely so! With these general objectives in mind, we identified the criteria which JUMPS should meet. They are:

- clear linkage of pay increases to performance;
- basic pay levels based on employees' contributions;
- meaningful rewards for quality performance;
- logical, valid process;
- easily understood concepts;
- ease and economy of administration; and
- equitable treatment of each Department of Justice merit pay employee in relation to other Department of Justice merit pay employees.

Over approximately 12 months, the JUMPS model evolved to its present state. Throughout the period, we pored over articles, textbooks, surveys of merit

pay practices, and guidance published by the Office of Personnel Management. We attended conferences and seminars on merit pay where we were able to listen to and question compensation managers from some of the country's leading corporations. In addition, presentations on the model were made to selected groups of top managers and personnel specialists in order to obtain their reactions and suggestions for improving the proposed system.

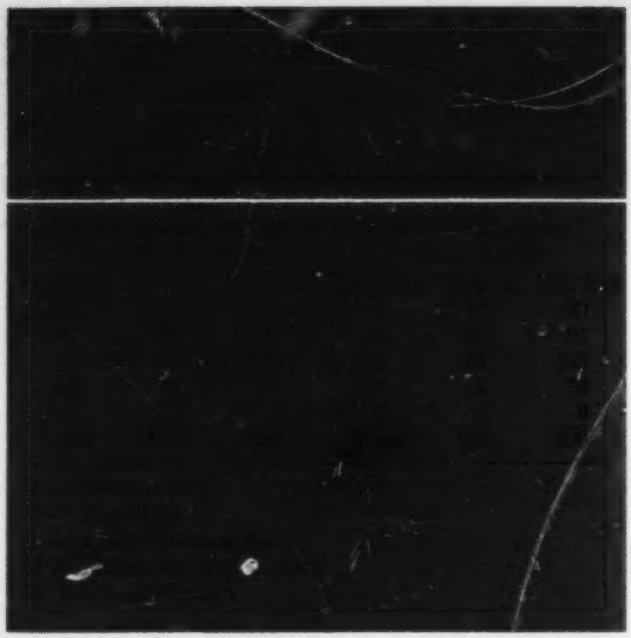
Testing. With guidance from OPM merit pay specialists, with whom we worked closely throughout the project, we constructed a test sample of 300 hypothetical employees distributed among grades GS–13, GS–14, and GS–15 in accordance with actual distribution by grade in the Department. The hypothetical employees were distributed among the ten steps of each grade according to actual pay rate distribution of Department of Justice supervisors in those grades. Finally, they were randomly assigned to five performance categories—Outstanding, Excellent, Fully Successful, Marginally Successful and Unsatisfactory—established for the Department's performance appraisal system. In this fashion, we developed four different distributions by performance category, ranging from an approximate bell curve (Test No. 1) to a distribution with a substantial number of the employees in the Excellent and Outstanding categories (Test No. 2).

The tests were designed to tell us what would happen to the salaries of employees if, for example, their supervisors rated a substantial number of a typical group as Excellent and Outstanding. A merit pay pool was calculated and each eligible employee's share of the funds in the pool determined by the proposed system procedure. The amount of each employee's merit pay increase was calculated as a percent of existing salary, as well as in dollars. For purposes of comparison, the same employees were given a 100 percent comparability adjustment, e.g., 7 percent, and, in some instances, a full within-grade step increase. Again, the total increase for each was computed both as a percent of existing salary and in dollars. The test results gave us answers to such questions as: Does JUMPS provide meaningful rewards to superior performers? Does it provide consistent treatment of employees who, although in different grades, are in the same performance category and the same band of the rate range? Does JUMPS provide substantially smaller pay increases for Fully Successful employees than the basic General Schedule system does?

The tests showed that, generally, the distribution system meets those objectives.

KEY FEATURES OF JUMPS

The Point Scale. The Justice Merit Pay System uses a point scale to convert performance appraisals to annual merit pay increases. While several alternative types of distribution systems were available, we



concluded that the point system offered more advantages than disadvantages. Because it provides a direct linkage of pay increases to performance levels, we expect the system will have a relatively high level of credibility. Significantly, the point system provides the close control of funds required under reform legislation. It has the added advantage of involving simple computations which can be accomplished rapidly by an existing data processing system.

Computations. JUMPS assigns point values to performance appraisal ratings. Under the JUMPS plan, the rate range for each grade is divided into three bands, rather than the ten steps for each grade under the General Schedule. It should be noted that points are weighted to take into account an employee's grade and rate range position. Points awarded through

Computation Example
(based on test no. 1)

Merit Pay Pool	÷	Points Awarded	=	Value of One Point
$594,964	÷	323.15	=	$1,981.00*

* Includes $140.00 per point from funds that could not be paid to those employees who hit a ceiling.

the appraisal process to all participants in a given merit pay pool are totaled. Then the funds in the pool are divided by the sum of points awarded, in order to determine the value of one point. Each eligible employee's share of the pool is then determined by multiplying the value of one point by the number of points the employee received.

Performance distinctions. The Civil Service Reform Act specifies that agencies "recognize and reward quality performance by varying merit pay adjustments." The JUMPS point scale fulfills this specification by providing increases for Outstanding performers which are approximately twice as large as those for Fully Successful performers in the same relative position on the rate range, and increases for Excellent performers which are approximately one and one-half times as large as increases for Fully Successful performers of the same rate range position.

Positions in range. Government and private sector employers make many basic decisions about pay levels on economic grounds. Most start by conducting labor market surveys for selected classes of positions in their organizations. Having determined the average of salaries paid by other employers to a given class of workers, e.g., Economist II, they adopt the average as the midpoint of their salary rate range for that class. The mid-point rate is the salary they consider appropriate for fully competent workers of that class. Next, the employer decides upon the minimum and maximum salaries he or she will pay to get Economist II work accomplished. In general, the minimum is the lowest salary that will enable the employer to attract beginners or minimally qualified workers and the maximum is the highest salary he is willing or can afford to pay anyone to accomplish that class of work, regardless of the employee's ability.

Having established the pay range for a class of work, most employers endeavor to pay each employee in that class at the particular rate in that range which is most representative of the quality of the employee's performance. Newcomers and poorer performers are paid at rates in the lower part of the range, average performers are paid at rates near the mid-point of the range, and superior performers are paid at rates in the upper part of the range.

Acceleration factors. Equity demands that all employees at a given level of performance receive pay at approximately the same rate. If an employee is performing at about the same level as other employees who are receiving higher pay, the employee should receive larger salary increases so that he or she moves rapidly to the higher pay level. The JUMPS model provides for this by awarding employees in the lower third of the rate range increases which are one and one-half times those awarded to employees in the upper third of the range, and awarding to employees in the middle third of the range increases which are one and one-quarter times those awarded employees in the upper third of the range. (This, incidentally, is consistent with the variable waiting periods for step increases under the basic General Schedule.)

Intergrade differentials. Under the General Schedule, variations in rates of basic pay for the different grades are designed to be in proportion to substantial differences in the difficulty, responsibility and qualification requirements of the work performed. Any salary rate of GS–13 is worth 72 percent of the corresponding rate of GS–15, and any salary rate of GS–14 is worth 85 percent of the corresponding rate of GS–15. Because these intergrade differentials are maintained in the JUMPS point scale, no one can receive a disproportionate share of the pool based on a higher grade. Therefore there is no need to create separate merit pay pools for employees in each of the three grades covered by the merit system.

System Discipline. Heads of major organizations will be held responsible for ensuring that sufficient time is available to rating officials and reviewing officials for the development and communication of performance standards, the conduct of progress reviews, and the appraisal of employees' work performance. Significantly, organization heads are required to ensure that ratings assigned to their merit pay employees reflect actual performance. They will review and compare summaries of ratings assigned by their subordinate managers for apparent validity and objectivity and if inconsistencies are noted, discuss them with rating officials or reviewing officials.

PROGNOSIS

When this was written the jury was still out on JUMPS. It has several potentially controversial features (among them the funding level and the organizational make-up of merit pay pools) which may need to be modified to win acceptance. Even so, I feel it is basically a sound design, given the handicaps imposed by the enabling statute (the most troublesome of which are limited funding and awkwardly defined employee coverage) and the limitations of the overall compensation system to which it is anchored, the major one being the 30 percent rate range, which is in sharp contrast to the 50 percent ranges commonly found in the pay plans of major companies.

In recognition of its innovative efforts, particularly in developing pilot approaches to merit pay, the Department of Justice recently received the first Ribicoff-Percy Award for excellence in Civil Service Reform implementation.

Ben W. Wiseman is Chief of Position and Pay Management at the Department of Justice.

TO COPE OR TO MANAGE?

ORGANIZING FOR CHANGE

Few things in the life of a Federal manager are as certain as change. Yet, though changes in Government organizations are almost constant, the process of change and the methods of accomplishing it remain a mystery to many managers; as a result, there is often resistance to it, even when the status quo is all but intolerable.

Whether we like it or not, Government change and reorganization will continue as a fact of life so long as the needs of our society continue to evolve and managers continue to look for new ways to accomplish Government's work more efficiently. Making a transition from one organizational structure to another can be a period of intense creativity, innovation and progress, or it can be one of disruption, anxiety, and low productivity. Rather than passively coping with change, the challenge is to manage it properly.

Whatever the scale, from the massive operations involved in establishing or reorganizing entire Federal departments to the smaller transitions which more government managers are likely to encounter, the problems involved and the processes needed to manage change skillfully are very similar.

We tend to meet any new situation by reorganizing, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization.
Petronius, 210 B. D.

Reorganization on the Grand Scale

Howard Messner, Assistant Director for Management Improvement and Evaluation at the Office of Management and Budget, is a veteran manager of government reorganization on the grand scale. He has been involved in the creation of almost every new agency and department in the last 6 years. Messner feels that change brings about a period of intense creativity, but also of high anxiety. "Change," he says, "is emotional and traumatic, and managers must be aware that very powerful forces are unleashed when any reorganization takes place." The trick is to harness those forces and use them to make change both positive and productive.

Most recently Messner has been involved in the establishment of the new Department of Education. In early 1978 the job of preparing the legislation and forming the new Department of Education was given to OMB. The Education Department Act, drafted under the guidance of Pat Gwaltney, OMB Deputy Associate Director for Human Resources Studies, was signed into law on October 17, 1979. Harrison Wellford, OMB Executive Associate Director for Reorganization and Management and overall coordinator for the department's creation, assigned Messner the task of coordinating eleven administrative task forces established to implement the Act. Messner's concerns were the problems of space, equipment and, particularly, people in a reorganizational effort that was to consolidate 152 programs from six agencies into one new department.

Messner's first step in effecting reorganization is to "inventory the inheritance: to find out who and what in the old reorganization can be used in the new one." The next task is to determine what pieces are missing. To do that, Messner believes in establishing task forces or planning groups that involve the people in the inheritance. The key to channeling talents is the makeup of the primary task force, since it will be the keystone of subsequent work groups. You can have outsiders and political appointees in the group, but "you'd better have some old Government pros, including some from other agencies." When career people become committed to the new organization, they make great efforts and achieve tremendous results. "They have a vested interest," he says, "and since they are becoming part of a new organization, there is often no turf to defend."

The management of people often spells ultimate success or failure during organizational change. Kristine Marcy, OPM's Assistant Director for Human Resources, Veterans and Labor Programs, is currently chairing the personnel planning task force for the Education Department. This group is deciding who moves over from HEW, who stays, and what jobs in the new department will be filled by how many people at what grade. It is also earmarking the 500 jobs that must be eliminated.

Marcy's seven member task force is made up of personnel directors and seasoned personnel specialists detailed from other agencies, a labor relations advisor and an advisor on equal employment opportunity. Marcy says it's essential to be "super-pragmatic and well organized" in managing the task force's twenty-five assignments, which include identifying employees and positions to be transferred, rapid staffing of the Secretary's office, and development procedures for handling resumes and applications. The job is massive because the Department of Education will have 17,000 employees. Identifying the employees to be transferred caused the major problem, since there are many people in HEW who are not attached to the Office of Education, but who do education-related work. In each case it had to be determined whether these people spent 50 percent or more of their time working in education. If so, they were transferrable. If key people didn't volunteer for transfer, the

Change is not made without inconvenience, even from worse to better.
Richard Hooker

task force tried to negotiate for them.

Marcy, who has also been made responsible for preparation of the department's personnel budget, for assessing property and for determining space needs, believes the personnel situation is critically important. Too often, she says, executives who come to government from the private sector stub their toes because they don't take time to pay attention to their personnel situation. That may not cause a catastrophe, but it is likely to result in a lack-luster, unproductive organization. And, in the public arena where Government performs, there is little patience with lackluster organizations.

In fact, says Office of Personnel Management Director Alan K. Campbell, one of the distinguishing characteristics of change in the public sector is the public's insistence on overnight results. A recent paper by Graham A. Allison, Dean of Harvard's John F. Kennedy School of Government, cited this difference between public and private administration. As an example, the paper pointed out that when IBM set out to develop its new generation of computers in the early 1950's, the company adopted a ten year plan. "Nobody," says Campbell, "would stand still for a ten year Federal plan."

Campbell also notes that the public sector has a built-in set of watchdog institutions. Congressional oversight subcommittees, the General Accounting Office, and now the internal Inspectors General have the mandate of taking a very critical view of agencies. This often means that only the institution itself will say it's doing well, and, he says, "that institution doesn't have credibility."

Messner agrees: "The biggest problems are that there is no start-up time and that the time line is unrealistic. The department is expected to deal in all areas from the first day of operation and deal in them efficiently." Messner says any reorganization's effectiveness should not be judged in less than three to five years, because it takes that long for a new organization to shake down and become workable.

Changes of Command

Most Government changes are not massive reorganizations, but changes of command. When former Portland, Oregon Mayor Neil Goldschmidt was appointed Secretary of Transportation, he had to get a quick understanding of a huge Federal conglomerate and hit the deck running. As part of his job, Edward W. Scott, Jr., Assistant Secretary for Administration and the highest ranking career civil servant at DOT, was there to make the adjustment as smooth as possible. Through a concentrated briefing program, Scott prepared the incoming Secretary for the job, for the bureaucratic system and for Washington. He prepared the new Secretary by a series of well structured briefing books. The first book, *Organization, Resources and Relationships*, succinctly outlines the incoming Secretary's new responsibilities. It also contains a short history of the Department and charts showing how DOT's 100,000 employees are organized. The second book, *Issues*, lays out the important items that require Secretarial decisions. The third, *Biographies*, contains photographs and a short description of the background and location of the Department's top officials.

Scott's advice to appointees is to learn the system and learn to work with it; many former appointees have tried to ride rough-shod over the system, only to become extremely frustrated. He feels career managers should be involved in the decision making process. This doesn't mean that new executives shouldn't bring in people who have proven their competency and with whom they're comfortable; it does mean that these people shouldn't try to make all the decisions alone.

Most changes of command, of course, take place in military organizations. The Army has found that it takes an average of six months for a new manager to become fully productive, six months that can't be spared in meeting combat readiness requirements. At its Organizational Effectiveness Training Center at Fort Ord, California, the Army developed a Change of Command Transition Model in order to make such changes smooth and efficient. The model is actually a clearly defined agenda with supporting questionnaires used for meetings between the incoming commander and his or her new subordinates. The Army also provides a specially trained Organizational Effectiveness officer who acts as a

Government has been a fossil: it should be a plant.
Emerson

consultant to the new commanding officer during the transition period. It's the job of this officer to make sure the commander, officers and troops all understand who they are, where they're trying to go and what problems they may have.

What the Army is learning through its Transition Model is almost totally applicable to civilian organizations. Normally, the new commander does not understand:

a. subordinates' priorities
b. subordinates' major problems
c. strengths and weaknesses of each unit
d. concerns during transition
e. personalities of subordinates
f. subordinates' expectation of the new CO

Subordinates do not understand:

a. the personality of the new CO
b. the CO's priorities

The Army is willing to share its Organization Effectiveness system, including limited civilian attendance at its OE Training Center.

If You're Reorganizing

Whether you manage a Department, a bureau, a branch or a section, most of the problems of change, and their solutions, are the same. In order to channel an organization's energies in the best possible way, certain basic considerations should be made.

The basic question, to which the rest of the process should be inextricably tied, is: Why is reorganization necessary? Admittedly, this decision may not rest with you; it may have been made at higher levels in your organization. But, if the decision is yours, you should have a very specific idea of what you hope to accomplish by reorganizing. And if the decision is not yours, you should have a clear understanding of what your superiors want the reorganization to accomplish. That goal will be the basis for all the elements of your plan for carrying out the reorganization. It will determine your personnel needs because you will have to decide what kinds of skills you need to accomplish your goal. It will dictate your equipment needs, if, for example, automation will improve productivity. It will establish your budget needs to pay the necessary employees or to buy new equipment. It will determine the space and furnishings you need to accomodate your employees. If your goal will be accomplished more efficiently by relocating your office near other offices that will work closely with your group, the adjacent space must be obtained.

New and stirring things are belittled, because if they are not belittled the humiliating question arises, "Why then are you not taking part in them?"
H.G. Wells

Remember, it is entirely possible that achieving your goal will not require reorganization. That possibility should always be considered during the planning process. If reorganizing isn't going to achieve the anticipated improvement, it will cause unnecessary trauma and waste money you could be using more effectively to improve your present organization.

Assuming that, after a thorough analysis, the decision is made to reorganize, the next step is to establish a method for measuring whether the goal is being achieved. You must determine what your organization is presently doing in order to measure progress towards doing it better later on. (For example, if your goal is to improve the processing time for handling claims, you will need to know how long it currently takes to process claims in order to compare the processing rate subsequent to reorganization.)

Make every effort to keep affected employees informed and involved from the beginning. When employees understand the purposes for their anticipated inconvenience, they are likely to be more cooperative. And they may be able to contribute useful suggestions to your plan, based on their experience at the operating level.

One way to direct employees' anxieties into creative channels is to encourage their active participation in your steering group. The group should also include a personnel specialist or have the continuous advice of your personnel office. During a reorganization, it is especially important to be sure your organization's jobs are properly classified, particularly if you are going to lose some positions. If there is a reduction in force, it's your personnel office's responsibility to manage it. And there are specified procedures for reduction in force, for transfer and for staffing up if you will be gaining new positions. If you get personnel specialists involved from the

The more things change, the more they are the same.
French proverb

The more things change, the more they are insane.
Frustrated Employee

start, they can be better prepared to help.

The same goes for budget and space specialists. If the reorganization is going to require additional funding, you need the budget advisor's advice on how to request it, and on how that money can legitimately be spent. And since space is usually difficult to find, having a space planner involved very early in the process is a requisite.

No manager, in business or in government, can be an expert on personnel, budget, administration and programs. Find out your agency's information sources and tap them. This includes not only personnel and budget advisors, but your agency's corporate memory as well. Before you start reinventing the wheel, you might seek out your unit's previous managers and other management veterans in your agency. They may provide some valid considerations that have escaped your attention. And do your best to locate any existing written instructions that might help you. A manual on the back shelf in your administrative office could save a lot of time and energy.

Once you've organized your transition team, lay out a timetable of tasks to be accomplished and a system for monitoring progress, and stick with it.

While you're concentrating on budgets, plans, programs and procedures, don't lose sight of the human factors involved. You are not alone if you feel managing people is the most difficult part of your job. This is particularly true during transition periods when employees are likely to feel insecure and threatened, so you will need to pay special attention to your people-managing skills during an organizational change. If you are going to lose employees through reduction in force, you should be sure to put them in touch with the personnel office for assistance. While it definitely is not your responsibility to find new employment for a displaced employee, it is important to be supportive while that employee is looking for another job.

The next and most important task is to organize the employees who will form your new group in order to tackle your new tasks in a united manner. Emphasizing the purpose for reorganizing is particularly important; what could be a stressful time for all of the employees involved—including yourself—will be aggravated if those involved feel inconvenienced as a result of decisions they perceive as arbitrary. Rumor and poor communication only add to an anxious situation, particularly in organization where a reduction in force is possible. So, once arrangements for reorganization have been discussed, keep your employees informed, through meetings if possible, and through memos if necessary. Give them specific tasks, such as helping prepare position descriptions for their new functions. Ask for suggestions on laying out new space, and really consider them. Generally, try to make change something you and your staff are doing together, rather than a situation where those higher up in the organization are making all the decisions and those down the line are feeling victimized—and left in the dark.

Lastly, don't forget to use the system you established to monitor results. With good planning, using all the skills at your command, you should find your reorganization is a successful one.

EMPLOYEE ATTITUDE SURVEY REVEALS SOME CLEAR MESSAGES FOR MANAGERS AND SUPERVISORS

By Alan L. Siegel

We all have heard through anecdote and armchair observation that government workers are underworked and overpaid, and that poor performance has no consequences for the individual employee. But is this accurate?

The Office of Personnel Management recently completed a survey of Federal employees which addresses these and other questions. The primary purpose of the Federal Employee Attitude Survey was to learn how employees currently view personnel management practices in order to evaluate the impact of changes resulting from the Civil Service Reform Act of 1978. However, it also provides a wealth of general information about how employees feel about their jobs, supervision, co-workers, and policies and systems of the organization in which they work.

Much of the survey information has particular value for supervisors and managers who have the opportunity to make direct improvement in the way people are managed in the Federal government. The results tell us that many critical supervisory and managerial systems need improvement.

Contrary to the often-heard view that government workers do not like their work, the survey showed the great majority (76%) of federal workers are satisfied with their jobs; they feel their work is challenging and important and makes good use of their skills and abilities. The picture that emerges from the survey is of a workforce concerned about the organizations in which they work. The workforce is quite positive about the effectiveness of their workgroups and organizations. More than 75% of the workforce report that their organization is effective in accomplishing its objectives and 9 out of 10 feel that their co-workers perform effectively.

Administration of the Survey

This first Federal workforce survey began in May 1979 and was completed in September 1979. The survey is one of several measures that will be used to evaluate civil service reform. Since it was administered prior to CSRA, it will serve as a basis for later comparisons as to what changes take place and what difference these changes make. A random sampling procedure was used to gather imformation on employee attitudes in 20 agencies and two separate groupings of 9 regulatory agencies and smaller agencies. Employees within several pay groups were selected by chance: GS 13–15 supervisors and equivalent, GS 16–18 and equivalent (now SES), other white collar supervisors and equivalent, and all other white collar employees. Wage grade supervisory and non-supervisory employees were also sampled from 8 agencies in which approximately 84% of all blue-collar employees work. The survey results are based on responses from 14,000 employees.

Attitudes Towards Supervisors

For the most part, supervision seems to be viewed as a source of strength. About 75% of those surveyed report their supervisors help them solve work problems. Most workers indicate their supervisors are technically competent. Administrative and, to a lesser extent, interpersonal skills of supervisors are evaluated favorably. These positive sentiments are encouraging and generally support the view that the work itself and supervisory competence are not problems in Federal agencies.

Attitudes Towards Management Systems

Data suggest, however, that the management systems in which the employees perform their work are sources of frustration and must be changed. These problem areas include procedures and policies used to evaluate, reward and improve employee performance—vital systems for effective management.

Performance Appraisal

Employees' views on performance appraisal are mixed. On the positive side, they feel their supervisors discuss the reasons for particular performance ratings with them, and that they understand the performance appraisal system.

Negative views emerge regarding the accuracy of appraisal ratings and the quality and frequency of the feedback employees receive about their performance. Less than half of non-supervisory employees feel their appraisals accurately reflect their job performance. More than half indicate that supervisors tend to give the same ratings regardless of actual performance levels. Feedback on performance is perceived to be even more of a problem. More than 40% of those surveyed indicated they "never or rarely" receive feedback that helps them to improve their performance. This contrasts with employees' desires to receive such information on a more frequent basis.

Even when performance appraisal sessions do take place, employees indicate they fail to provide useful information or to encourage developmental activities. In general, the workforce reports that appraisal sessions either do not help them at all or help only minimally to improve performance, determine individual strengths and weaknesses, establish training plans or obtain needed training.

The survey indicates both that 1) supervisors and managers are not doing as much as they can with the controls they presently have, and 2) the old performance appraisal system and other related management systems, such as the reward system, are also deficient.

The current government-wide performance appraisal system is scheduled to undergo major revision as a result of the Civil Service Reform Act. While the legislated changes do not guarantee that more effective and useful approaches to appraisal and feedback will be used, they are important steps in setting a more conducive organizational climate. Replacing the old adjective-oriented rating system with a more performance-based approach may help to provide more accurate information for formal performance appraisal sessions, but it is up to managers and supervisors to make better use of this

improved information. Will it be generated simply to satisfy organizational requirements, or will it become relied upon and routinely used to make decisions affecting performance—for example, decisions about training?

It is also up to supervisors and managers to ensure that more frequent informal feedback takes place. By encouraging employees to share in setting performance objectives and determining critical job elements, managers can better understand employees' needs and perspectives, and can clearly express their own. At present, employees indicate that joint setting of performance objectives is not common and that they are not usually involved in decisions about their jobs.

Consequences of Performance

Performance appraisal systems typically are designed to assess performance for employee development and to provide information for promotion and retention decisions. The bottom line is performance improvement, through training or motivation. Particularly for motivation, performance appraisal can play a major role. However, this can occur only when employees believe that appraisals accurately reflect performance and are instrumental in determining who receives organizational rewards. Since the survey results show that employees do question the accuracy of present appraisal systems, it is not surprising that they also have a difficult time seeing connections between performance and rewards. Less than half of the workforce (39%) feel that unscheduled pay raises or promotions depend upon their performance. Close to half also report that they are not sure what determines getting a promotion. In addition, over 50% indicate that it is unlikely they will receive cash rewards, pay increases or promotions if they perform especially well. Employees not only consider such rewards unlikely, but rarely see those that do occur as legitimate and merit-based.

If motivation of the workforce is to be enhanced, it is vital that employees see rewards as dependent upon how well they perform their jobs. There are, of course, aspects of reward-performance connections that managers cannot control. Although managers can grant unscheduled pay increases to subordinates under the merit pay provisions of CSRA, merit pay now directly affects only GS 13–15 supervisors and managers. However, for the majority who are not under the merit pay system, other actions can demonstrate that supervisors, and the organization, recognize and value excellence. Simple recognition of a job well done is seriously undervalued and neglected by supervisors. Employees report that although they are more likely to receive recognition than financial rewards for excellent work, neither is very likely. Once again, we see the poor use of information feedback to the employee. The new performance-based appraisal system should encourage managers to take advantage of increased flexibility under the law to grant performance awards.

At the present time, only approximately 45% of employees report that supervisors take time to help poor performers improve their performance. This contrasts with supervisors' views, as 65% indicate that help is given to improve poor performance. Managers may be more willing to reward the more productive members of their staff when their own pay increases are on the line. They may also begin to take more direct action to improve low performance levels of subordinates.

Supervisors and managers also have the potential to enhance employees' motivation by increasing their sense of fairness in the organization's systems. This means not only rewarding good performance, but taking action against poor performers. At present, the workforce generally fails to see negative consequences for poor performance; only one-third of the workforce feel that they will be demoted if they perform poorly. Although employees indicate that it is more likely there will be penalties for poor work than rewards for good work, neither outcome is seen to be closely linked to job performance. Once again, the importance of the performance appraisal system becomes evident. Performance-based appraisals can generate more specific evidence upon which to base judgments and document poor performance. Therefore, they may encourage managers to initiate more actions based upon poor performance and emphasize to employees that different levels of performance have significantly different consequences.

Conclusion

While not startling or dramatic, survey results do confirm that many employees feel a need to be managed more effectively. They indicate that the present appraisal and reward systems in Federal organizations are particularly ineffective, and managers' actions, or lack of them, reflect the present state of those systems. Civil service reform legislation is designed to foster changes in the system's structure, but individual and organizational improvements ultimately rest upon managers' commitment to improve their own supervisory and managerial skills.

Alan L. Siegel is a psychologist on the staff of the Office of Productivity, OPM.

SOME REALISTIC CRITERIA FOR APPRAISAL SYSTEMS

By Jule Sugarman,
Deputy Director
Office of Personnel Management

Traditionally, Federal managers have tended to regard performance appraisal as a perfunctory exercise. In contrast, many private sector managers spend as much as 15% of their time on appraisal-related activities, recognizing that performance appraisal is an integral and necessary part of management. Civil service reform legislation requires a similar recognition in the Federal sector. Indeed, appraisal of employees' performance may be the single most important provision of CSRA.

Relationship to Other Management Processes

Performance appraisal relates directly to the management processes of budgeting, setting staff levels, planning, and controlling work. Requirements on management are established internally (by agency policy) and externally (by substantive legislation, appropriations, Presidential policy, and Government-wide regulations). Management's requirements result in organizational goals, budgets and work plans which in turn can be reduced to, and expressed in, individual performance elements, standards and measures.

And it is from the foundation of performance appraisals, from establishing individual performance goals and holding individuals accountable for them, that organizations' cumulative achievement is built.

Appraisal Systems: Required Elements and Uses

CSRA requires agencies to:

- Determine the critical elements of employees' jobs;
- Set performance standards or requirements for both critical elements and other important job aspects;
- Communicate to employees what is expected of them;
- Appraise employee performance based on the established standards or requirements; and
- Use appraisal information in making personnel decisions.

The Act requires that appraisal information be used to recognize and reward employees whose performance warrants. This includes decisions on performance awards for senior executives and merit pay for supervisors and management officials in grades GS–13 through GS–15. For senior executives, appraisals must be based on both organizational productivity and individual performance. The law encourages this approach for the merit pay group as well.

Appraisals must yield information useful in determining whether performance awards are merited for all employees, as well as for the Senior Executive Service and merit pay employees. The information must be useful in such matters as competitive promotions and training, and so must produce data for two types of decisions:

- Those in which the employee's performance is compared to the standards set for the position; and
- Those in which comparisons must be made among individuals.

Organizational Performance

For senior executives and the merit pay group, performance of the organizations for which they are responsible can be the most important component of their appraisals. A manager's performance standards should reflect the expected organizational accomplishments for which he or she is to be held accountable. The initial division of performance award and merit pay funds among organizational units should be based at least in part on an assessment of each organization's performance in relation to other organizations within the agency. Although methods for distributing them may vary, it is generally not desirable to apportion funds among organizations solely on the basis of percent of payroll. One possibility is to allot most of the funds in proportion to payroll, while distributing the remainder to organizations significantly exceeding performance goals. The Comptroller General has ruled that agencies may cross appropriations lines when funding the merit pay system.

Expressing Organizational Peformance Standards

Organizational performance standards can be expressed in many ways. The important considerations in determining how to express a standards are:

- Is it understood the same way by both the managers held accountable for achieving it and by higher management?
- Is it consistent with Presidential and Congressional requirements and with agency program directives? Specifically, is it consistent with available funding, program and performance goals, zero-based budget decision packages and expressions of Presidential and Congressional priorities?
- Is it expressed in measurable items?
- Does it measure efficiency?
- Are output measures defined in ways that indicate quantity, quality, timeliness and responsiveness to public needs, as well as costs?
- Are current reporting systems adequate to capture desired input and output data, or must new systems be installed? Would they be cost effective?
- Are there provisions for modifying the standard to take into account external factors such as new legislation, hiring freezes, or changes in appropriations?

Individual Performance

Although all employees are appraised on their individual performance, individual performance standards are valid only to the extent that employees are qualified for and trained to do their jobs and have been provided with proper resources, working environments and supervision. Individual performance components for individual managers are those specific assignments for which they are held accountable. They consist of work for which a manager is personally responsible and which either may not be delegated or is a direct function of the individual's method of managing. Examples are budget control, ensuring equal employment opportunity and making fair and accurate appraisals of subordinates.

Individual Vs. Organizational Performance

Managers can be held accountable only for those results over which they can reasonably be expected to have control or significant influence. The key issue is whether it is possible for a manager to have control of the situation so that accountability can be demanded. For example, someone managing an education program for veterans might be held accountable if the education is inappropriate or inferior, *provided* the manager has the resources to counsel students on

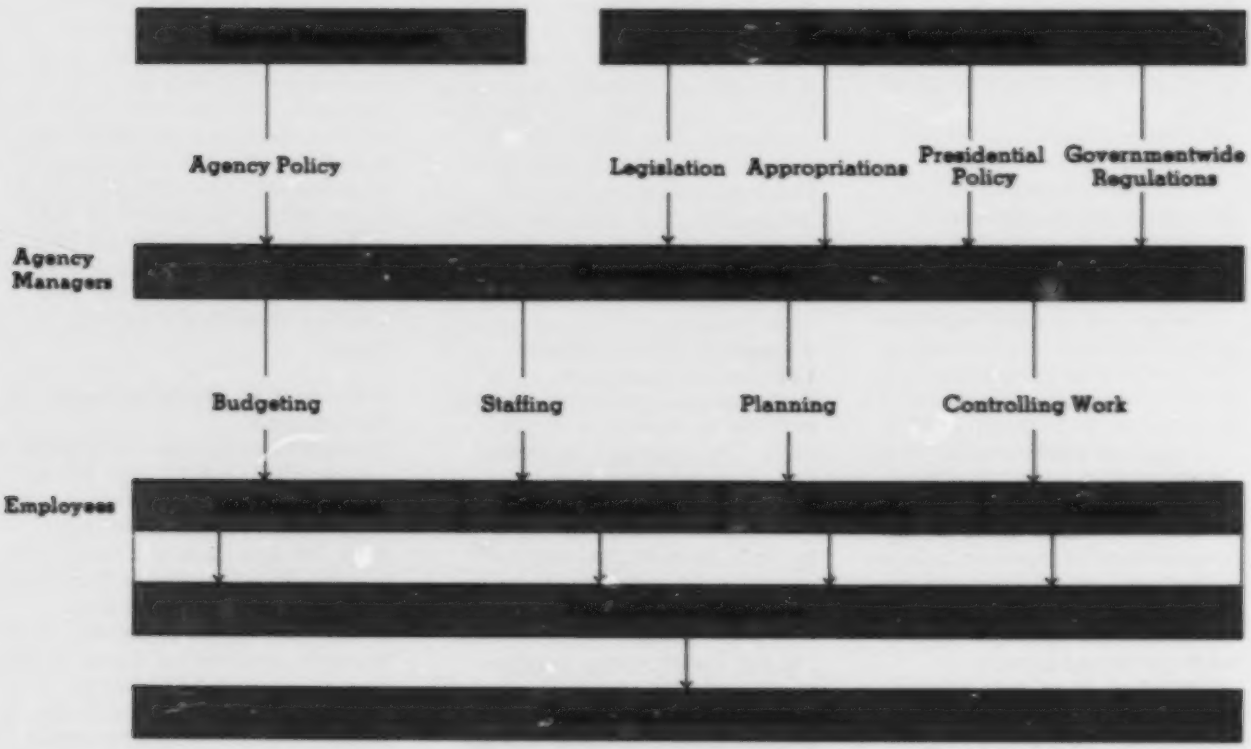
their choices and the right to refuse further payments to poorly performing schools.

Realistic Performance Standards
Organizational and individual performance standards must be realistic in terms of what can be achieved and challenging enough to stimulate employees' best efforts. While there may be, in theoretical terms, a correct or absolute standard of performance for an organization or individual, the operating situation is of great importance. Realistic standards are, at best, considered judgments as to what ought to be accomplished, taking into account available resources, current and potential staff competence, the environment in which the program operates and external factors affecting organizational and individual capacity to perform.

To the extent these factors differ among organizational units or change from year to year, management is justified in changing performance standards. Short, intermediate, and long range performance goals may be established. An individual who performs better than reasonably expected at a particular time, even if the long range goals have yet to be achieved, may deserve an appropriate reward. (Of course, it could also be appropriate to adjust the goals for the next appraisal period.) Any changes in standards, whenever they occur and for whatever reason, should be thoroughly discussed between supervisor and subordinate and be properly documented.

Cross Comparisons
Comparing performance for competitive purposes is likely to involve people doing different kinds of jobs. For example, a grants administrator may be competing with a manager of technical assistance services for a share of available merit pay funds within the same organization. Different kinds of organizations may also be competing when an agency determines that variations in merit pay funding will be based on differences in organizational accomplishment. Also, while individual merit increases must be based on individual performance of established performance requirements, there is apt to be a high correlation between individual and organizational performance, particularly in the case of an organization for which the individual manager is responsible.

For both individual and organizational comparisons, differences must be based on fair and objective assessments including comparison of performance. Thus, with all other things equal, the grants administrator exceeding standards by 20% deserves a greater share of the merit pay pool than the technical assistance manager who exceeds standards by 10%.



Measures of Performance
In evaluating performance, it is sometimes necessary and valid to measure activities and processes as well as results, because *how* a job gets done is as important as *what* gets done. Another consideration is that some elements of performance cannot be easily quantified. For example, the degree of coordination and cooperation with other organizations, quality of staff advice, progress of research and quality of legal representation are generally difficult to measure. However, inability to quantify certain elements does not mean inability to appraise performance. Experienced managers can and do make valid appraisals of such activities. Use of peer reviews, self-appraisals, appraisals by consumers or users, and other forms of judgment can, when used in appropriate combination with supervisory appraisals, help to increase objectivity of the process.

Employee Participation
CSRA encourages employees' participation in establishing performance standards for their jobs, although the final decisions are management prerogatives. In dealing with employees in a bargaining unit, management must be mindful of its obligations to the union granted exclusive representation. The process for employee involvement can be extremely important: effective, continuing communication among senior executives, managers, supervisors, and employees is likely to result in better individual and group performance.

Documenting Performance Standards
Position descriptions are official statements of employee duties and responsibilities. In the past, they did not ordinarily include standards of performance. With CSRA, agencies will have to decide whether to include performance standards and critical elements in their position descriptions or to develop separate statements. The most realistic choice is probably to develop separate statements. Whichever approach is taken, performance standards and critical elements must be consistent with an employee's position description and job classification. Agencies taking personnel action based on performance standards and critical elements will have to produce evidence that employees knew what was expected of them and that the expectations were job-related. Therefore, agencies should adequately document both standards and critical elements and provide copies to affected employees.

Job Relatedness
In the past, agencies have tended to appraise employee performance by rating traits such as "dependability" and "initiative" without defining them in terms of job-related behavior, tasks or expected results. Such traditional trait-rating approaches are no longer appropriate because they do not meet the CSRA requirement that appraisals be based on objective criteria. Rather than stating that an employee has a "superior level of dependability," one should now say, for example, that the "employee produces required reports with no more than one error per report and delivers 95% of the reports on time." In making personnel decisions based on appraisal information, agencies must be cognizant of the potential applicability of the Uniform Guidelines on Employee Selection Procedures, which, under certain circumstances, mandate showing job-relatedness according to specific professional methods.

Putting It All Together
Developing and implementing sound performance appraisal systems will require a substantial commitment of time and effort by agencies. Tough questions will be asked. There are no easy answers, and no shortcuts which will not imperil our efforts to re-direct work carried out in the Federal service along performance-based lines. This a challenge that we, as Federal managers, can only meet head on, and one that requires our full attention and support.

Performance Appraisal: A Glossary

Job Elements. The functional components of a particular job, including basic tasks and responsibilities.

Critical Job Elements. Job elements of sufficient importance that performance below the minimum standard established by management requires remedial action and denial of a within grade increase and may be the basis for demoting or removing that employee.

Performance Standard. A measure of level of performance for use in performance appraisal. Performance standards are required for each of a position's job elements. Standards may take into account such factors as quantity, quality, timeliness, accuracy, etc.

Performance Appraisal Period. The period of time established by an agency's performance appraisal system during which an employee's performance is observed in order to make a formal report of it.

Performance Feedback. Communication of the results of performance appraisal by the supervisor to the employee. Performance feedback in written form is now required by law at the end of each performance appraisal period, but supervisors are also encouraged to discuss appraisals with employees in person.

Position Description. An official written statement of the major duties, responsibilities, required skills and supervisory relationships of a position. A position description describes the job independent of the person doing it, whereas performance standards describe what is to be accomplished by the employee filling the job. Position descriptions may be useful in arriving at a list of job elements for performance appraisal, but their basic function is not evaluative.

The first issue of Performance, an OPM periodical for managers and supervisors, coming in May, will contain an in-depth article on performance appraisal.

Job Title: Personnel Management Specialist GS-201-12

Basic Responsibility Statement: The incumbent of this position is responsible for personnel management/staffing services for one bureau and for the Chairman and his top staff. In addition, the incumbent is responsible for coordinating the Senior Executive Service program efforts for the agency.

The incumbent is one of three GS-12 PMS' out of an entire PMS staff of 5. The Personnel Management Office consists of (X) professionals and services the entire agency in all personnel matters including employee relations, career development, training and labor relations. While subject matter experts serve as resource people, the PMS staff is often called upon to assist in these areas.

Performance Element: Evaluate positions in accordance with Classification Standards.

Performance Levels	*Quality*	*Quantity*	*Timeliness*	*Measurement Method*
Fully Successful	1. Desk audit reports are clearly written so that no more than X complaints every six months are received.	N/A	1. Schedule of desk audits are completed in accordance with schedule established by supervisor.	Desk Audit Schedule, Report Reviews.
	2. No more than X complaints every six months concerning allegations that analysis and recommendations contained in technical evaluation do not support proposed classification.	N/A	2. Turnaround time from completion of audit to issuance of technical evaluation report is X days.	
Outstanding	1. Position management problems/concerns are presented to management with proposed solutions within X days of discovery.	N/A	1. PMS initiates master review schedule to review X % of positions in each office.	

Performance Element: Advise managers on factors relating to filling vacancies, e.g., average grade constraints, ceiling limitations, recruiting sources, alternative staffing means, etc.

	Quality	*Quantity*	*Timeliness*	*Measurement Method*
Fully Successful	Advice provided to managers is fully consistent with agency policy and FPM regulations.	N/A	Within X days of notice of an employee's departure, PMS meets with managers on means to best fill vacancy.	Weekly reports from PMS. Supervisor observation.
Outstanding	Advice provided to managers is fully consistent with agency policy and FPM regulations. Managers accept advice and act upon 80% of the recommendations. PMS initiates discussion with managers on position management, and in 80% of cases is able to persuade managers to fill position at one grade level down.	N/A	Same as above	Weekly reports from PMS. Supervisor observation.

Performance Element: Recruit and refer applicants for vacancies.

	Quality	*Quantity*	*Timeliness*	*Measurement Method*
Fully Successful	1. Applications (SF171's) are screened so that only those which fully meet X-118 and related requirements are forwarded to managers.	N/A	1. Notification to supervisor if SF52 and position description are not received within 2 weeks after position has been vacated.	1. Supervisor reviews complaints and vacancy turnaround.
	2. Vacancy announcements clearly state the requirements, qualifications for the position and the necessary procedures for applying. No more than X complaints per year for errors or unclear announcements.	N/A	2. For actions involving MP, vacancy will be filled within X weeks after SF-52 is received or supervisor is notified of problems which occurred.	2. Supervisor reviews complaints and vacancy turnaround.
	3. Alternatives to MP actions reflect appropriate FPM regulations and are documented.	N/A	3. Vacancy announcements are posted for position within X working days of approval by supervisor.	3. Review of posted announcements.
			4. Upon receipt of 171's, screening will be completed within X working days.	4. Review of screened 171's.

Performance Element: Counsel employees and supervisors regarding any proposed or actual disciplinary actions.

	Quality	*Quantity*	*Timeliness*	*Measurement Method*
Fully Successful	1. No more than X complaints per year from counselees about incorrect or ineffective advice.			1. Weekly reports
	2. Detailed records are maintained of all counselling sessions.			2. Review of records
	3. Employee problems needing counselling greater than what a generalist can give are referred to proper channels.			3. Review of records
Outstanding	Through discussion, analysis of problem indicates the appropriate course of action.		PMS is able to counsel employee in such a manner that no further steps are necessary prior to action.	

These examples have been produced for illustrative purposes and are not to be viewed as "model" standards. They were written by incumbents holding specific jobs in specific agencies and, although the standards are appropriate for the use of those individuals, people holding similar jobs in other agencies will need to determine the standards most appropriate for their own positions.

Giving Quality Instructions

"Why can't they follow instructions?" is a too familiar refrain

People *can* follow instructions. When they don't, the foul-up is either *unintentional* or *intentional*. And while bosses want neither, they can make both possible.

Use the following guide to check out the quality of the instructions you give.

Causes of Intentional Foul-ups

• **The to-the-last-detail approach.** When instructions are so top-heavy that the subordinate feels completely locked in, chances are those instructions will be followed, with some resentment, to the last detail. Should trouble develop along the way, however, that person may be reluctant to vary anything. "That's the way the boss wants it" may be the rationale. And if the boss just happened to be wrong, the job will be, too. Intentionally.

• **The heavy-handed approach.** People respond differently to a show of authority. A manager's bark, for instance, may send one person off to do the best possible job, but cause another to want to get away with as much as possible. Some people are more sensitive than others, and managers need to keep that in mind.

• **The yes-you approach.** When a subordinate feels singled out for still another "special" job, while other people aren't, that person may retaliate by moving ever so slightly away from the instructions. Managers sometimes resort to the yes-you approach not because they want to pick on certain people, but because those people are more reliable. This can be unusual, if inadvertent, punishment. And somewhere along the way someone may decide that the only way to get out from under is not to follow instructions so well.

Causes of Unintentional Foul-ups

• **The too-casual approach.** "I think doing it in three separate steps might cut down on errors." You don't want to sound like a drill sergeant when giving instructions, but neither do you want to be so informal as to risk misinterpretation. *Suggesting* may not be enough with certain subordinates. If you do it in an off-hand, by-the-way manner, the fact that you are giving instructions may be lost on that particular person.

• **The missing how-to approach.** If you want a job done in a certain way, say so. Otherwise, chances of getting it done exactly as you would like may be nil. How-to isn't always necessary, but if you don't like surprises, don't leave it out. Other common omissions: *when* or *where* to do a job.

• **The pile-up approach.** A manager can give too many instructions to a number of people in too short a time. Or, as occasionally happens, an assistant will give similar—but different—instructions to the same people. The result can be a backup of conflicting instructions, confused subordinates, and guesswork about priorities.

• **The unarticulated approach.** Sometimes managers envision the task so clearly in their own minds that no instructions are really given. The manager assumes that the subordinate is on the same wavelength, and then confusions reigns. □

What Does The Boss Mean By "Keep Me Informed"?

Here's how to tread the line between doing too much and too little

To Lee Marks, it seems that hardly a week goes by that the boss doesn't toss off a "Keep me informed, Lee." "That phrase," says Lee, "became so automatic with Roger that I'd learned to ignore it. Then, one day, it jumped up and bit me. I fell behind on a small project, without telling him—and Roger chewed me out. I had no way of knowing that, for once, he had really meant it."

The problem with bosses who always want to be in the know is that you run the risk of antagonizing them if you don't take them seriously—and you run an equal risk of becoming a bore or pest if you run in constantly with unwanted details. A simple "keep me informed" by itself gives no clues as to what's expected. So, before you make any assumptions about the real meaning of that offhand message, analyze its context:

• **What is at stake for the boss in this matter?** How directly do the process and the outcome bear upon the boss's responsibilities? If what you are involved in will in some way involve the boss, then the greater the level of detail you provide, the better for both of you.

• **Does the boss have a personal or political interest?** The "small project" that Lee was working on touched, if only peripherally, another department in the organization. The boss lit into Lee only when he found out from the other department head that the project had become stalled. Bosses can be sensitive about being "the last to know" about anything around the organization that concerns them. When you feel that something personal or political may be at stake, keep feeding information to the boss.

• **How far do you want the boss to become involved?** Consider such things as any special expertise the boss may have that you want access to, or any support that could be helpful to you, or even how much you want to impress the boss with your actions on the matter. The more you want to get, the more you should tell.

• **Recommendation:** If you have been on the uneasy receiving end of a request to "keep me informed," you will be more sensitive than to inflict such uncertainty on others. So, when you wish to be kept informed about something, *make your request specific*. Say, "When you decide, I would like to know," or "Let me know when Fran calls you," or "I would be glad to help if anything comes up and you think I could be useful." You will not only make the other person's load easier—you will be more sure of being kept informed to the extent that you wish, not to the extent a subordinate guesses you wish. □

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Rewarding Your Outstanding Employees

by Richard P. Brengel

A number of major misconceptions currently prevalent among Federal managers inhibit the effective use of cash incentive awards to recognize and reward outstanding employees. These false assumptions should be dispelled as managers go about the business of developing new performance appraisal systems and the rewards and penalties that go with them.

The misconceptions include:

"Awards are too small"—Too frequently managers assume, incorrectly, that monetary awards are too small to confer significant recognition. The fact is, agencies have wide latitude under new Federal awards regulations to design awards systems to best support their organization's goals and the recognition needs of their workers. This includes setting the amount of awards that may be granted within an agency and approving awards up to $10,000 for an individual or group contribution. Awards over that amount also may be given; a case in point is the Department of Agriculture, which recently requested that the President approve an award of $35,000 to 42 Forest Service employees who studied and made recommendations concerning the use of 62 million acres of national forest land in 39 states and Puerto Rico in record time. Over 300,000 citizens' comments were involved in the study, which took only 20 months to complete and saved the Government over $120 million. This was the first time in the 25-year history of the Federal Incentive Awards Program that the President used his monetary awards authority. The recommendation was made by Secretary Bergland through OPM, which is required by law to review recommendations of awards over $10,000.

To keep pace with current thinking on incentives as well as changes in the cost of living, the Office Of Personnel Management is recommending that agencies base performance awards on a percentage of an employee's base salary, rather than on a fixed scale. Also, to provide for more significant awards (the current average performance award is $260), and for a higher percentage (now about 1 out of 20) of employees to receive them, OPM is recommending that all agencies 1) allocate a percentage of salaries for performance-related incentive awards, and 2) raise the scale used to determine amounts of awards for both tangible and intangible benefits.

"Too much red tape"—Contrary to popular opinion, agency managers are not required to submit lengthy documentation to justify awards. What *is* required is that the documentation contain (1) a specific statement of the job elements or requirements, (2) the standards for those elements, and (3) how the employee's performance exceeded the standards. The Civil Service Reform Act requires that agencies' performance appraisal systems be used as the basis for a variety of personnel decisions, including incentive awards. Agencies are now required to use a performance appraisal as the basis for performance recognition, thus providing an objective basis for making such decisions. When it contains the required information, the form and paperwork required for an employee's performance appraisal logically can and may be used as the documentation for a deserved award.

"Awards take too long to process"—On the average, agency processing takes 77 days from the time an award is recommended by a supervisor until it is presented. However, it doesn't have to take this long—and it shouldn't. When recognition immediately follows an employee's contribution, the employee and his or her coworkers see a more direct connection between performance and award. The greater the delay in recognition, the less well understood and appreciated the action.

To overcome the time problem, several agencies have taken these steps: (1) delegated awards authority to the lowest supervisory level possible and practical, (2) changed the role of the awards committee from decision making on individual awards to one of program oversight, (3) presented certificates before the awards checks were prepared, and (4) arranged for checks to be processed within two weeks.

"Awards are only a fringe benefit"—During the last fiscal year the $3.8 million investment in suggestion awards to civilian employees of the Federal Government yielded $147.7 million in first year tangible benefits. Thus, for each suggestion award dollar granted, the Government gained $38 in benefits during the first year. (The *average* usefulness of a suggestion is 3 to 5 years.) Additionally, the investment of $29.4 million in Special Achievement Awards yielded $214.7 million in measurable benefits. The cash awards are *earned* by employees for efforts beyond their normal job responsibilities. As the result of the benefits realized, agencies are able to produce more, accomplish more, or provide greater services to the public with the same or fewer resources. With an overall return rate of 11 to 1, the awards program is not merely a "fringe benefit."

"Awards don't motivate"—If you think that awards are not motivating employees in your organization you should find out whether this is, in fact, so. First, questionnaires and/or interviews can be used to explore employee views at all levels. Then, a representative group should be assigned to determine what kinds of awards and recognition *will* motivate employees in various kinds of jobs to improve performance. The Foreign Agricultural Service uses awards to motivate employees to build and maintain language fluency needed to perform more successfully. Other organizations, including Navy and the Bureau of the Census, are using awards to provide incentives for employees to excel in repetitive jobs that have well developed performance standards, such as key punching. Several agencies, including the Postal Service, have used their suggestion program to focus employee creativity on solving critical problems. And the Veterans Administration has used their awards program successfully to direct employee attention to helping serve the needs of veterans and their families. A number of agencies, such as the Treasury Department, are testing systems that tie management by objective with managerial performance awards.

These are a few examples of the flexibility agencies have been given and have used to tailor their incentive awards program to their specific needs. If you want to investigate ways to reward your best workers and to use cash awards to help your staff become more productive, contact your agency Incentive Awards Administrator or your personnel office. As you take this initiative, you'll find that the tools and the flexibility are there to help you.

Richard P. Brengel is Director of the Incentive Awards Branch, OPM, which establishes Government policy on incentive awards.

Short Takes

Executive Development for You

GS-15 (and, in special cases, GS-14) employees should be keeping themselves informed about the new executive development programs which Federal agencies are launching this spring. Designed to prepare candidates for SES positions, the programs offer individually tailored development of executive competencies through on-the-job experience (including special work assignments and "details") and formal course work. Each year agencies will select a small number of new candidates for their programs, depending on anticipated SES vacancies. Agencies with over 150 SES positions will open competition to employees from other agencies and may consider applicants from outside the government as well.

An anticipated 70 percent or more of SES positions will eventually be filled by program graduates. As further incentive, graduates will be placed in special agency executive talent pools for five years after completion of training. During this period they are eligible to be appointed to SES positions without giving further proof of managerial (as opposed to technical or professional) competence to a Qualifications Review Board. Graduates also are automatically in the "well-qualified" group for any managerial SES position for which they possess technical and professional qualifications.

Each agency has its own executive development program and admission policy, so be sure you understand how the system works in your agency. For specific information, contact your agency personnel office. If you are a woman or a member of a minority, it's a good idea to check with your Federal Women's Program or EEO office as well.

New Schedule B Appointing Authority

The Office of Personnel Management has recently issued guidelines on the use of a new Schedule B appointing authority to facilitate recruitment of SES candidates from outside the Federal government. (Schedule B appointing authority covers positions other than confidential or policy determining for which it is not practical to hold a competitive examination.)

In compliance with provisions of the Civil Service Reform Act, agencies with over 150 SES positions are permitted to consider qualified individuals from outside the civil service for admission into their SES development programs. In order to place qualified non-status candidates in appropriate developmental positions (usually at the GS–15 level) during the training period, agencies may invoke the new Schedule B appointing authority, thereby exempting candidates from competitive examination. These appointments, however, are not to exceed or be extended beyond 3 years.

Candidates from outside the government who complete their SES training and are certified by a Qualifications Review Board will be eligible for noncompetitive appointments to SES positions, or they may compete for non-SES agency positions for which they are qualified.

More Productive Than Ever

While Federal employment decreases, government productivity increases. According to the Annual Productivity Report issued by the U.S. Office of Personnel Management and the Bureau of Labor Statistics, overall government productivity rose by 1.7 percent between 1977 and 1978.

This increase is evidently an acceleration of a broader trend. From 1967 to 1978 government productivity rose at an average annual rate of 1.4 percent, which indicates that government is keeping pace with the private sector.

The report presents productivity data on 50 Federal agencies covering 65 percent of the Federal civilian workforce. The data were compiled in 28 functional categories using a total of 2,660 performance indicators. Performance indicators include such activity as claims adjusting, book binding, consumer complaints processed, etc.

Copies of the report, which also discusses OPM's role in productivity measurement and improvement, can be obtained from the Productivity Research Center, U.S. Office of Personnel Management, Washington, D.C. 20415.

Taking Performance Appraisal Seriously

In a move which closely parallels the Federal government's renewed interest in systematic, effective performance appraisal, General Telephone & Electronics Corp., a private firm employing 220,000 workers, has instituted a uniform system of job evaluation and enrolled 400 of its managers in a two day course showing them how it's done.

Twenty-five managers at a time take the course, which uses videotaped reenactments of on-the-job situations, group discussion, self-evaluation and evaluation by subordinates to improve managers' understanding of the appraisal process. Participants are taught how to reinforce desirable behavior in subordinates and how to point out weaknesses in a non-hostile manner. They explore ways of helping subordinates with career planning and development. In order to appraise others more fairly, they learn to appraise themselves, identifying and assessing the effects of their own managerial styles. Managers whose self-evaluations conform closely to the rating they receive from their subordinates are most likely to be effective managers.

Part-Time Direct Hire Made Possible

An experimental two year program permitting selected Federal agencies to fill part-time career conditional civil service jobs under streamlined procedures will be launched in mid-April 1980. According to program guidelines issued by the U.S. Office of Personnel Management, participating agencies will be empowered to make direct hire offers of career part-time appointments to qualified candidates they recruit. To ensure that appointees under the new program have a legitimate interest in part-time employment, they will be prohibited

from moving to full-time work schedules until they have completed at least one year of part-time service.

The program is designed to help Federal agencies comply with the Federal Part-time Career Employment Act of 1978 (P.L. 950437) and President Carter's 1977 directive to expand part-time employment. Since 1977, Federal agencies have established more than 20,000 new permanent part-time jobs.

For further information, contact your agency personnel office.

Cherry Hill

Federal managers and executives from all over the nation met together in Cherry Hill, New Jersey from February 10 to 13 for the Second Annual Management Conference, sponsored by the Office of Management and Budget, the General Services Administration, and the Office of Personnel Management.

The conference, which was organized around the theme of greater government productivity, provided managers with an intensive update on such productivity-related issues as control of fraud and abuse, improvement of service to the public, quality of work life, productivity and collective bargaining, and reduction of red tape.

Exemplary Practices Program

As part of its program to improve productivity in the federal government, OPM has established a new Exemplary Practices in Federal Productivity program to identify methods of improving productivity.

Under the new program, OPM will accept nominations of outstanding examples of improved productivity, review and document them, and publicize the best ones for use by managers throughout government. OPM is currently studying several projects to determine their applicability to other sectors of the government.

- Department of Defense's fast payback capital investment program. The program concentrates on small item equipment purchases that can pay back their initial costs within two years through labor or resource savings.
- Department of Housing and Urban Development's performance objectives project for workers. The program is concentrated on tasks in the Finance and Accounting Office and requires that supervisors set goals for production, inform workers of their rates, and positively reinforce them.
- Kelly Air Force Base aircraft maintenance productivity improvement program, which includes more efficient work procedures, incentive awards, and job enrichment.
- National Labor Relations Board case management system.

OPM is seeking nominations from federal managers of projects, programs, or other examples of improved productivity, including instances of enhanced efficiency, effectiveness, responsibility, or accountability. Nominations may be in either of two categories: total system or unit improvement. All projects will undergo thorough analysis before being designated and publicized as an exemplary practice. Initial nominations may be brief and informal, but must contain the following information:

- title of program or project
- name and location of agency and sub-unit
- name and telephone number of person in charge
- start and completion dates (one year minimum)
- cost and/or number of employees involved
- means of achieving objectives
- achievements (quantitative measures)

Nominations or inquiries may be directed to Exemplary Practices, Office of Productivity Programs, OPM, P.O. Box 14108, Washington, D.C. 20044.

Too Much Too Soon

The leading cause of job-related stress among managers is a heavy work load compounded by unrealistic deadlines, according to a recent American Management Association study.

The AMA asked 2,659 top and middle level business managers to identify situations which caused them the most stress both on and off the job. Other commonly cited sources of on-the-job pressure were a perceived disparity between the organization's goals and the manager's goals, and personal favoritism counting for more than demonstrated job skills. Non-job-related stress was most often attributed to financial problems, problems with children, injury, and illness.

While everyone knows that mismanaged stress can be harmful, the AMA study points out that stress can have a positive side too, serving as a spur to personal growth and improved performance.

Research Conference Proceedings

The proceedings of the Public Management Research Conference, held last November at the Brookings Institution, have now been published under the title *Setting Public Management Research Agendas: Integrating the Sponsor, Producer and User* (OPM Document 127–53–1, February 1980).

The 95 page volume, issued by the Office of Personnel Management, reflects the growing relationship between academic research on public management and managers in the private sector. Included are three papers presented at the conference by noted public management scholars, summaries of group discussions, and the remarks and recommendations of key conference participants.

For copies, write to the U.S. Office of Personnel Management, 1900 E Street, N.W., Room 3305, Washington, D.C. 20415.

Civil Service in the Promised Land

Government offices in Israel are generally open to the public from Sunday through Thursday, 9 a.m. to 1 p.m. *Hello Israel*, a weekly guide for tourists, suggests that visitors "come prepared with loads of patience" when on government business.

Please Stop Helping Me Manage

by Gary Palmquist

Let me set the scene: I'm a middle manager in charge of an accounting office which is comprised of 55 employees, 12 of whom are in professional series. We handle, for the most part, production functions, i.e., accounting, payroll, collecting, voucher examining and bill paying. As I see it, my job is to help my unit accomplish its mission in spite of all the help *I'm* getting from those who pass laws and issue regulations relating to the management of people.

I am generally sympathetic to the need for change and improvement. However, my major concern is that the recent flurry of law changes, which are touted as mechanisms for increasing management effectiveness, have actually increased the burden on production oriented managers such as myself. It appears that the new laws and regulations are designed by people who do not have experience working in an office which has a production workload. Yet, these laws and regulations are designed to increase the productivity of "production" offices. By a production office, I mean an office which must meet specific externally set deadlines, such as issuing paychecks every two weeks or presenting a training course on schedule.

First, let me comment on civil service reform. I'm covered by merit pay. My boss is in the Senior Executive service (SES), and my employees are for the most part eligible for the increased attention promised unions by the Civil Service Reform Act (CSRA). As I understand it, my boss' SES pay depends on my unit's performance; so, naturally, she is expected to be very demanding. My employees are fairly well insulated from my pressures because almost anything can become a union grievance which is bound to wear me down. The new law has me caught in the middle. So the question becomes: Is my merit pay raise worth the aggravation?

I hate to tell the people who designed CSRA, but I really don't respond simply to money. It is difficult to determine what motivates me, but I think I work because of the power, prestige and challenge of the position. Anyway, merit pay probably will amount to only a few hundred dollars a year difference from what I could normally expect. In spite of the fact that I must play the merit pay game seriously (preparing numerous drafts of my performance appraisal plan, for example) it is likely that I will simply do what I think I must to do the job—and take my chances on the pay.

As performance appraisal gets underway, I will be developing performance plans for the employees of my unit. This, I believe, will result in increased paperwork and decreased employee morale. I've never been too concerned about the incompetent employee whom the performance plans are designed to identify and remove. I've always addressed that problem by job restructuring, i.e., matching the employee's strengths with the unit's required duties. The real problem I've had is with employee discipline. The CSRA does not address this problem. It is still as difficult to determine how to document a case for the removal of an employee for nonattendance as it ever was. Unless a manager has regularly needed to remove someone for disciplinary reasons, the chances are very good that he or she will lose the case because the documentation is inadequate. It appears to me that this concern has been wholly overlooked by the reform act.

Another recent initiative to help Government managers increase productivity is the emphasis on hiring part-time employees. Of course, managers have been hiring part-time people for years because of the personnel ceiling on full-time employees. Often people were hired for 38 or 39 hours a week simply because of the ceiling. Now the new law purports to encourage part-time employment by limiting part-time workers to 32 hours a week, and requiring them to pay an increased share of the health insurance premiums. The Federal Employees Part-time Career Employment Act has not helped me find people willing to work part-time.

For the past several years, production managers have been laboring under the flexitime experiments. Now, there is new legislation, the Federal Employees Flexible and Compressed Work Schedules Act, authorizing compressed work schedules. The various theories supporting these initiatives include: increased morale, less use of sick leave and annual leave, and longer public operating hours.

I must agree that flexitime or compressed schedules increase morale and reduce unplanned absences. However, from the production manager's point of view I find the shortcomings more than offset the advantages. First: I wonder how General Motors would run the assembly line if workers were allowed to work whenever they wanted. Flexitime is nice for staff offices, but often disruptive in a production office. I know that a manager is supposed to be able to exclude his or her unit from flexitime if it is disruptive. But the political and morale consequences of doing that can be disastrous.

Second: Employees used to take an hour or two of leave when they were late or had to see a doctor. Now they just flex. This means they have more leave to use for vacations and can be gone longer. I believe it is a greater burden on the manager to cover their work while employees are on vacations than when they are out for a short time. Also, I wonder if the saved sick leave will put an unnecessary financial strain on the Federal retirement fund.

Third: It has been my observation that people are less productive when they know they must work more than 8 hours a day. When compressed work schedules requiring attendance for 10 hours a day are instituted, I believe we will see 8 hours of work stretched out over 10. And what do we do about covering the employee's duties on his or her day off? Most of us don't have the luxury of backup people for each job. And there is little hope that the office can be closed one day a week; in fact, we are supposed to be open longer. My prediction is that service to the public will deteriorate because the people scheduled to work on days when others are off may get sick and no one will be on duty.

I've discussed only three recent initiatives which I believe adversely affect the Government manager. I have limited my criticism to the viewpoint of middle managers who find themselves

responsible for production activities. Clearly, a manager of a staff office with only professional employees would not necessarily see the problems I do.

However, that is the point: Staff people have the time and responsibility to be creative in developing new approaches to management. They should remember, though, that the real experts are the production managers and that initiatives should take into consideration the problems those managers face. Thus far, I don't believe the laws and regulations have sufficiently considered the problems of the Government production manager.

Gary Palmquist is Chief, Financial Management Division, OPM

Oversight Hearings on Civil Service Reform

Representative Patricia Schroeder (D–CO), Chairwoman of the House Subcommittee on Civil Service, has announced three sets of hearings to be held this spring on the Civil Service Reform Act.

The first hearings were conducted in March to ensure that protections for whistleblowers under the Act are working and are effective as a defense against abuse and mismanagement. A report on the hearings will be issued in the near future.

The second set of hearings will focus on the implementation of performance appraisal systems. These hearings emphasize the pivotal role that performance appraisal mechanisms play in determining the success of other major features in the Reform Act.

The third set of hearings will examine the labor-management provisions of CSRA and are expected to look at the operations of the new Federal Labor Relations Authority and the extent to which collective bargaining, consistent with Congressional intent, is taking place.

Passed

Public Law 96–166 extends until September 30, 1983 the provisions of the Federal Physicians Comparability Allowance Act of 1978. These provisions allow an additional payment of up to $10,000 per year for positions in which there is a significant problem in recruiting and retaining physicians.

Public Law 96–156 has amended the Retired Employees Health Benefits (RFEHB) Act to provide a measure of financial relief for retired federal employees. The new amendments provide that the Government contribution for a retired employee electing "self-only" coverage shall be equal to the current monthly Medicare Part B premium, now $8.70. Retirees electing "self and family" coverage will be entitled to twice this amount. The Government's contribution will rise with future increases in Medicare premium rates.

Public Law 96–179, originally proposed by OPM, was enacted to improve survivors benefits for dependent children. The legislation now allows illegitimate children of deceased federal employees to qualify for survivors' benefits even if they did not live with the parent who died.

Pending

President Carter's proposal to modify and improve the procedures used to determine pay rates for federal workers is currently pending in the Congress (H.R. 4477 and S. 1340). Hearings have been held by the House Subcommittee on Compensation and Employee Benefits and the Senate Subcommittee on Civil Service and General Services. In his State of the Union Message, the President urged Congress to take action on pay reform, and the proposal is expected to receive further consideration during the second session of the 96th Congress.

A number of other legislative proposals of interest to federal employees are pending on Capitol Hill. Here are some highlights of pending legislation:

- *H.R. 5995 and H.R. 5704 would assure federal employees' receiving their paychecks on time when controversial riders hold up enactment of appropriations bills. The House Subcommittee on Compensation and Employee Benefits held hearings in February.*
- *H.R. 4717 would provide for lowering agency personnel ceilings based on the extent to which Federal functions are contracted out. This measure has been approved by the House Post Office and Civil Service Committee.*
- *H.R. 1265 would liberalize government employees' life insurance benefits. Hearings have been held by the House Subcommittee on Compensation and Employee Benefits.*
- *H.R. 5461 would make January 15th, Martin Luther King, Jr.'s birthday, a federal holiday.*
- *H.R. 2510 would allow Government employees forced to retire on mental disability under fitness-for-duty procedures to appeal to the federal courts. Hearings have been held by the House Subcommittee on Compensation and Employee Benefits.*

Information on legislation of interest to managers and supervisors is prepared by the Office of Congressional Relations, OPM.

Manager's Reading Digest

Crystal Ball Time
The beginning of a decade seems to trigger a surge of crystal ball gazing. The January issue of *Administrative Management* carries a special report on change in the 1980's. In an article on "What It Will Take to Manage in the 80's," Jeffrey Prince cites the growing impact of new office technology and the corresponding need for greater interpersonal skills on the part of managers. "Tomorrow's executive will have to be very versatile—juggling the demands of technology, information and people." The question is where to find such talent. To paraphrase Max Fritsch, "We sought great managers and human beings came instead."

We get another glimpse of the future in an article entitled "Business Systems—2000 A.D.," appearing in the February 1980 *Journal of Systems Management*. It discusses Management Information Systems technology, microprocessors, and automated offices, and forecasts these management changes: "We will see more Management by Objectives, Management Task Forces, Management Projects, Management by Exception, and the Junior Management approach. Better application of processed information will allow a greater span of control. Decision making will be delegated farther down through the organization." The author, Ron Bridges, also opines that "the 'paperless office' of the future is a myth, and will not become a reality."

Pros and Cons of MBO
Management By Objectives seems to be enjoying something of a comeback, thanks to the Civil Service Reform Act, which has prompted many agencies to use MBO as an approach for developing individual performance standards under the new performance appraisal requirements of the law. However, there is still some dispute in the literature over its efficacy. One negative critique can be found in the December 1979 issue of *Business Horizons*. In an article, "MBO: An Idea Whose Time Has Gone," author Charles Ford argues that MBO has seldom delivered what is promised, and he attributes the problem to conceptual flaws as well as to flaws in implementation. He contends that MBO often takes too much time, leads to inflexibility, and discourages risk-taking. On the other hand, Frank Shipper has this to say in "Anticipatory Management—the Key to the Eighties," in the January 1980 issue of *Management World:* "One of the more effective programs for focusing managerial attention on the near or distant future has been a dynamic management by objectives system." He defines a dynamic MBO system as one that encompasses (1) routine objectives, (2) problem solving objectives designed to "find permanent solutions, not patchwork schemes, for recurring problems," (3) creative objectives to impart new ideas or procedures, and (4) self-development objectives designed to prevent managerial obsolescence.

Crisis of Confidence
Women make just as competent managers as men, according to Catherine Cason of the American Management Association, but many of them suffer from a fear of managing. In fact, Cason refers to the generation of corporate women now approaching 40 as "the uncomfortable women." They are torn between the desire to take on more managerial responsibility and the fear of moving for the first time into a highly competitive, male-dominated management world which they perceive, not without reason, as hostile.

Cason points out that this is by no means the women's problem only. "If women think they're different, then that's their hurdle. If men think they are different, that's also a hurdle."

To bolster the confidence of women aspiring to management positions, more and more private sector organizations are offering special management courses designed to give women a better sense of their potential authority. Some companies are attacking the problem from another angle as well: training male managers to accept women into their ranks. In government, a growing number of Federal agencies such as the Department of Housing and Urban Development and the Treasury Department supplement their management development curricula with special courses for women.

Confidence, says Cason, is the real hurdle for women. "They have the skills."

No Room at the Top
As OPM's Director, Alan Campbell, pointed out in his talk at the Second Annual Management Conference in Cherry Hill, N.J., the decade of the '80's will witness a huge boom in the numbers of people competing for mid-level management and professional positions. Climbing the ladder of success is going to become a lot more difficult. Just how difficult can be seen in the Autumn 1979 issue of *Advanced Management Journal*. According to Jerome Rosow, the number of workers in the 25 to 44 age bracket will increase by 55%, from 39 to 60.5 million between 1975 and 1990. Arguing that employees with 15 to 20 years of service represent an "invaluable resource" to organizations, the author urges a variety of actions to help retain such individuals and reduce competitive frustrations and disappointments. They include broader management development programs based on greater candor about promotional opportunities, reduced emphasis on specialization, more lateral assignments, educational sabbaticals, career counseling, retraining and recertification programs, more realistic staffing standards, job redesign programs, and new incentive systems.

Fat Bias

Like it or not, equally qualified fat people have less chance of landing a job than their normal weight counterparts. This pattern of discrimination against the overweight has been documented by Judith Candib Larkin and Harvey A. Pines in a recent study in the August 1979 issue of *Sociology of Work and Occupations*.

Larkin and Pines designed a carefully controlled experiment in which fat and normal weight persons of both sexes were chosen as models of job applicants. They were videotaped first in an office setting and then in the process of performing a job selection test. Although the models were almost identically attired and performed assigned tasks equally well according to objective standards, viewers of the tapes indicated that they preferred to hire persons whose weight fell in the normal range.

Viewers were conscious of the fact that the overweight and normal weight models performed equally well on the job selection test. However, their impressions of the overweight models' social characteristics were relatively unfavorable. The overweight were perceived as being less neat, attractive, healthy, energetic, productive, ambitious and active than their normal weight competitors and more lacking in initiative, perseverance and self-discipline.

Perhaps this bias dispels some of the mystery in the fact that only 10% of executives in the higher wage brackets are 10 or more pounds overweight, as compared to 35% of executives in the $10,000 to $20,000 range.

Living with Flexi-time

Is flexi-time likely to turn into a nightmare for first-line managers? Some people fear the worst. However, a recent study by Robert T. Golembiewski and Carl W. Proehl, Jr. of the University of Georgia, in collaboration with Ronald G. Fox of Smith Kline Corporation, indicates just the opposite.

In a paper published in the *Journal of Management*, Fall 1979, Golembiewski, Proehl and Fox drew upon 28 previous case studies of flexitime and the testimony of 43 first line supervisors with three years of flexitime experience. They wanted to find out whether the established benefits of flexitime—increased productivity and increased employee morale—would be offset by the problems which flexitime might raise for supervisors. The answer seems to be an emphatic *no*. The great majority of those supervisors surveyed opted to continue the use of flexitime on a permanent basis, once the initial adjustment has been made.

That there is an adjustment to be made, the authors note, cannot be denied. Until the new system is actually in place, supervisors tend to be as suspicious of flexitime as employees are enthusiastic. Typically, supervisors worry about loss of control over employee activities and increased problems with "time-shaving."

In fact, supervisors must plan ahead more extensively under flexitime, as well as shift to a more participative management style, one which encourages employee self-control. But most supervisors report that after three to six months these adjustments can be successfully made and that the overall benefits of flexitime are then fully felt. As for time-shaving, the majority of those surveyed believe the problem is actually no worse than under a system of regular hours.

The authors strongly recommend that first-line supervisors receive assistance and training from their organizations during the transition period to help them adjust to the new management style which flexitime requires.

"There's no limit to what can be accomplished if it doesn't matter who gets the credit."
—*Bits & Pieces*, Feb. 1980

"When a female Einstein is promoted to Assistant Professor, that isn't equal opportunity. We'll know equality is here when a female schlemiel moves ahead as fast as a male schlemiel."
—Ewald Nyquist, former NewYork State Education Commissioner

Money as Motivator

There's an art to using money as a motivator, according to Dr. Robert Keller, a University of Houston professor. Dr. Keller is quoted in the Fourth Quarter 1979 issue of Compensation Review as saying, "A one shot award of $500 to $2,000 for a well done project or activity can be a very effective vehicle for motivating employees." He suggests that an immediate bonus is a more effective motivator than a yearly raise or a flattering performance appraisal, neither of which is "immediate or frequent enough to be effective." Formal appraisals should be used primarily "to complement" cash awards in the prompt and regular acknowledgement of good work.

Manager's Reading Digest is written by ArDee Ames, Director of the Special Programs Consulting Division, Workforce Effectiveness and Development Group, OPM.

Wells v. Harris Decision

Implications for Managers

The December 17, 1979 decision by the Merit Systems Protection Board (MSPB) in *Wells* v. *Harris* has significant implications for federal managers in the implementation of the Civil Service Reform Act. In this case, the Board held that performance standards and critical elements need not be identical for employees in the same grade and series and operating under the same position description. It also held that there was no requirement that standards and elements be developed on a centralized basis. These holdings, taken together, ensure that managers will have the necessary flexibility to design the types of tailored performance appraisal systems envisioned by Congress in the Reform Act.

Further, the Board ruled that for an employee to show that an action should be overturned because of a prohibited personnel practice, he or she must show not only that a prohibited personnel practice was committed but also that the violation harmed that employee. Thus, the Board ensured that mere technical violations cannot be used to reverse an otherwise justified agency action.

The Board, however, decided that Congress did not intend to allow agencies to take actions under the new streamlined procedures in 5 U.S.C. 4303 for demoting or discharging employees where performance is unacceptable until they had developed a performance appraisal system plan approved by the United States Office of Personnel Management (OPM). Although this aspect of the decision will temporarily delay the implementation of the new procedures, its effect is limited. First, the Board held that agencies may develop a system plan for units of the agency. They are not required to develop an agency-wide plan before taking an action using the new procedures. Second, the agency does not have to show that it has used its performance appraisal system to take other types of actions prior to using the new procedures. Third, before an agency develops a performance appraisal system plan that is approved by OPM, it may use the adverse action procedures (chapter 75 of the title 5 of the U.S. Code) to demote or discharge employees for inefficiency.

Critical elements and performance standards need not be identical for all employees with common position descriptions.

The Board held that critical elements and performance standards need not be identical for all employees within the same grade and series and operating under the same position description. Rather, the Board made it clear that managers must have the flexibility necessary to develop a system or systems tailored to their agencies' needs. The Board stated that:

> We do not, however, find that performance standards and critical elements need be identical for all employees having common position descriptions, nor do we discern in the Act or its legislative history any requirement that standards and elements be developed by each agency on a centralized basis. It is clear that Congress, to permit agencies to have maximum flexibility in these respects, required only that performance standards be based on objective criteria 'related to the job in question for each employee or position' under the particular appraisal system, and that the other requirements of section 4302 be met.

Thus, rather than relying on generalized descriptions of broad responsibilities, managers must look to the work that an employee is actually doing and ensure that the elements and standards reflect and measure that work. Although the elements and standards must be consistent with the employee's position description, they are clearly not controlled by it.

This holding makes it possible for managers to develop a meaningful performance appraisal system. The ability to tailor elements and standards to each employee's actual duties means managers will be able to evaluate that employee fairly and objectively, and to link performance appraisals to personnel decisions in the manner envisioned by Congress.

Agencies may adopt different systems for different units within the agency and are not required to develop critical elements and performance standards centrally.

The Board's decision recognized that agencies are not required to adopt one uniform system that covers all employees or all components of the agency. Instead, the Board's decision allows agencies to develop different systems for individual units at different times. Further, the Board held that standards and elements should not be developed centrally.

These holdings will have a substantial impact on the shaping of the system itself and on the process by which elements and standards are adopted. First, managers are free to determine what system fits the needs of their unit or of groups of employees within their unit.

(The decision is silent as to what constitutes an appropriate unit. Agencies, in making unit determinations, must consider a wide variety of factors including the proposed unit size, location and mission.) For example, an agency could determine that its General Counsel's Office constituted a unit and then develop separate systems for different groups of employees within that unit. It would be possible to adopt a management-by-objective system for attorneys but to adopt a numerical standard for clerical employees.

Second, critical elements and performance standards need not be promulgated by agency headquarters. They may be developed at any supervisory level provided that the agency procedures will enable it to justify differences in standards for employees doing similar work.

Third, it is clear that managers, in an agency component that has an approved plan and has developed elements and standards, may take advantage of the new procedures before the agency has developed systems for all agency components. Nonetheless, the requirement that the agency have a system for an appropriate unit and the Board's explicit rejection of an *ad hoc* approach indicates that, at a minimum, the agency must adopt procedures to ensure that everyone within the unit who is doing a similar job must receive elements and standards at the same time. A manager may not single out a particular employee to receive critical elements and performance standards while others performing the same job in the same unit do not receive them.

Agencies must have a system plan approved by OPM either for the agency as a

whole or for a particular unit before using the new procedures.

The Board concluded that Congress did not intend to allow agencies to use the new section 4303 procedures for demoting or discharging employees until the agency had a performance appaisal system established under 5 U.S.C. 4302. Although this holding invalidated OPM's regulations concerning interim actions under 5 U.S.C. 4303, its actual significance is extremely limited because of the flexibility the Board has given agencies in establishing these systems and because such actions can still be taken following Chapter 75 procedures.

First, as discussed previously, the Board held that an agency can take actions under the new procedures as soon as it has a system for the agency or any component approved by OPM and develops critical elements and performance standards for those employees within a unit who do the same job. OPM requirements are not difficult to meet. The plan must describe the employees it covers; the way(s) in which standards and elements are established and employees are appraised; the ways in which employees are informed about the standards; the elements and the appraisal process; the supervisory officials who will be conducting the appraisal and, if applicable, reviewing or approving appraisals; the records to be kept; and the links between the appraisal system and personnel decisions. OPM normally will review plans within 30 days.

Second, the Board held that this requirement does not mean that an agency is required to demonstrate that it has used the results of appraisals for other personnel decisions but that it is enough to show that the system provides the basis for making these decisions. Thus, a manager need not conduct appraisals for other employees before taking an action against a specific employee or delay taking an action until the entire system has been in effect for a complete appraisal cycle.

Third, before an agency has an OPM-approved system and develops critical elements and performance standards applicable to a particular employee, the agency may use Chapter 75 procedures to demote or discharge that employee for inefficiency. Such actions would be processed similarly to old system actions. Additionally, if the Chapter 75 procedures are used, agencies need not provide employees with a reasonable time and opportunity to improve, as defined in the new procedures. Moreover, they are not restricted to using examples of poor performance within the past year.

The Board's decision creates, but does not address, a problem concerning the procedures to be used in dealing with poor performers who are non-preference eligible, excepted service employees. Although this group of employees does not have an appeal right to the Board under 5 U.S.C. 4303, they are entitled to certain agency procedural steps before being demoted or discharged under 5 U.S.C. 4303. They, however, are not covered at all by Chapter 75.

OPM believes that managers should treat actions against these employees for poor performance similar to actions under Chapter 75. Thus, they should be informed of what is expected of them, be provided with a written notice identifying their deficiencies, be given an opportunity to respond both orally and in writing to a higher level agency official and to receive a written decision. The manager, however, must make it clear that notice is not being issued under Chapter 75 and that the agency merely is attempting to comply with *Wells*. If the manager fails to make this clear, the employee may be able to argue he or she is entitled to an appeal to the MSPB.

The *Wells* decision also implies that even after an agency has an approved performance appraisal system and has developed critical elements and performance standards, a manager may elect to use Chapter 75. Despite this implication on the Board's opinion, OPM believes that Congress did not intend for Chapter 75 procedures to be used in cases where the employee's actions were covered by an established performance appraisal system. Thus, if there is an established performance standard which the employee has failed to meet, OPM believes agencies should use Chapter 43 procedures.

An employee must show that he or she was harmed by a practice to warrant overturning a personnel action.

Perhaps the most important issue before the Board in *Wells* in terms of long-term impact is the showing that must be made by an employee to overturn an agency action because of the commission of a prohibited personnel practice. The Board held:

> In any such case to establish (a defense based on a prohibited personnel practice) an employee must show that the decision was 'based on' a prohibited personnel practice in the particular case, i.e., that the procedural or operational defect in the appraisal system amounted to a prohibited personnel practice affecting the particular decision in a way that was harmful to the employee.

The holding protects the harmless error concept adopted by Congress as part of the CSRA. It has been argued that any violation of any portion of the statute or regulation, no matter how minor, was a prohibited personnel practice and, thus, would require reversal of the personnel action. This argument, if accepted, would have placed agencies in the same position they were in before the Reform Act—any procedural error would mandate reversal. The Board, however, emphatically rejected this position and held that the employee must show harm.
(It is significant that the Board has reversed less than 5 percent of the cases for harmful error as opposed to 15 percent prior to the Reform Act.)

Conclusion

The *Wells* decision ensures that managers will have the necessary flexibility to implement a meaningful performance appraisal system(s) tailored to each individual's actual job. Moreover, it reinforces the harmful error concept and protects managers against having justified actions reversed because of harmless procedural defects. Additionally, although the Board required agencies to have an OPM-approved performance appraisal system plan before using the new procedures, this requirement will have little effect and will only temporarily delay the implementation of these procedures. The requirements that must be met are not onerous and managers have been given the flexibility needed to meet them. Further, in the interim period, managers may continue to use the Chapter 75 procedures. On balance, it represents a substantive step towards making the promises of the Reform Act a reality.

In Brief, a regular summary of news on legal matters of interest to government managers, is prepared by Margery Waxman, General Counsel, OPM.

The District of Columbia's New Personnel System

On January 2, 1980, the Government of the District of Columbia ended most of its reliance on the Federal Government for personnel management services when it inaugurated a new civil service structure created to carry out requirements of the Home Rule Act.

The District's new structure resembles the three-part Federal Government structure created by the Civil Service Reform Act: personnel management authority will center in the Office of Personnel; final administrative appellate authority for appeals and grievances rests in the Office of Employee Appeals; and labor-management relations will be administered by the Public Employee Relations Board.

Changes in the Washington, D.C., system are of more than ordinary scope. Most personnel systems progress step-by-step from a number of separate agency offices to a limited jurisdictionwide authority to a fully comprehensive system. The District of Columbia has eliminated the middle step, going from limited agency personnel operations dependent on the Federal system for many services to a comprehensive system, equivalent in many aspects to a county or State government personnel system. Remaining ties with the Federal system, in health and life insurance programs and the retirement system, may be modified or broken by negotiated agreement with employee bargaining units.

Since all elements of the new system were not ready for implementation on January 2, some parts of the old system will be retained until superceded by new rules and regulations. Some particulars follow:

- Employees are divided among four employment systems: 1) *Career Service*—the D.C. Government's permanent merit system, filled through competitive examination. Tenure will be granted to occupants of permanent service positions after one year. There are provisions for temporary appointments, which will not confer permanent status, in emergency circumstances. 2) *Expected Service*— the system's non-permanent service consists of positions filled by statute, confidential or policy-advocacy positions, or special positions filled on a limited or transitional basis. Appointments are noncompetitive, but (except for statutory positions) appointees must meet pre-established minimum qualifications for the position. Excepted service appointments do not confer permanent status. 3) *Educational Service*—includes employees who perform professional or technical work for the D.C. Board of Education and Board of Trustees of the University of the District of Columbia. Tenure in such Board of Education positions is acquired after a one year probationary period. Tenure in the university system will be determined under rules and regulations of the University's Board of Trustees. 4) *Executive Service*—covers executive branch department, agency, and office heads under the direct administrative control of the Mayor. Some appointments are subject to confirmation by the District Council.
- All employees on the rolls as of January 1, 1980, were transferred to one of the new services with guaranteed rights and benefits at least equal to those in their previous positions. Those who have already served a probationary period will not be required to serve a new one.
- All D.C. Government employees must be residents of the District of Columbia or become residents within 180 days after employment. This rule does not apply to employees on the rolls as of January 1, 1980, unless they separate from the District Government and later seek reemployment.
- All personnel management functions for the District Government, except for specified independent agencies like the Board of Education and The University System, will be centralized under the Director of Personnel, who reports directly to the Mayor. Personnel specialists who formerly served in agency offices were transferred to the Office of Personnel.
- All classification and pay system ties to the Federal structure are ended. The District Government will develop a classification system for all its positions. All aspects of pay, including step increases, overtime and holiday pay, shift differentials, and severance pay, will be subject to negotiation for those employees in a bargaining unit for which a labor organization has been granted exclusive recognition. Compensation for members of the Educational Service will be set by the appropriate Board. Other employees' compensation will be set by the Mayor. In all instances, compensation levels must be approved by the District Council.
- As mentioned above, the existing relationship with Federal health and life insurance and retirement systems will be retained. Benefits are negotiable items for collective bargaining, although any negotiated changes must be authorized by legislative action to become effective.
- All employees will be evaluated annually under a five-level performance rating plan. Performance ratings may be appealed. For units under bargaining units, performance appraisal systems must be negotiated before implementation. Such negotiated agreements will take precedence over the provisions of the law for covered employees.
- An incentive award program will be established. Employees may receive cash awards of up to $5,000 for superior or outstanding work performance and up to $25,000 for suggestions resulting in tangible monetary savings.
- Veterans preference is limited to five years from the date of separation from active military service and is eliminated for persons who entered the military service after October 14, 1976, except for those with 30 percent or greater service-connected disability or those who served in the armed services during time of war. The Mayor may grant veterans preference for appointment purposes to applicants who are able to demonstrate that they received a less than honorable discharge as a result of discrimination.
- The District Government may enter into agreements for the temporary interchange of personnel with other governments (Federal, State, local) or institutions of higher learning. These interchanges are with the approval of the personnel involved, are limited to two years, and cannot result in a loss to the employee of pay, leave, or other benefits while on assignment.

State and Local Notes are written by William A. Chadwick, Office of Intergovernmental Personnel Programs, OPM.

After/Words

LETTERS

In the wake of recent widespread criticism of the Federal bureaucracy it may be appropriate to republish Federal employment figures showing year by year population growth, growth in the Federal budget and the sheer number of Federal programs administered, for release to the press services.
These comparisons may show unheralded increases in workload and efficiency which would be an appropriate context for many of the anecdotal bureaucratic horror stories promulgated through the public media. No amount of reform will help if pride in civil service is destroyed and earned public pats on the back are not given. Public service would then become a refuge for those with tails between their legs rather than a place to do great things for others.

Joseph Millard Brown
Cheyenne, WY

Since man is highly complex, the control and management of two or three of such complex beings becomes an Herculean task. Herein lies the enigmatic nature of personnel management. And I believe that so long as man lives on this globe so long will the science and art of personnel management continue to be refined. . . . .
Your regular articles and publications are invaluable materials, and I sincerely hope you would continue to keep me on your mailing list.

Ayodele Ikotun
Lagos, Nigeria

Social-engineers like Alice G. Sargent (The Best of Both Sexes, Jan 80) get carried away with their dream world. Her proposal for managers is: ". . . Men and women need to develop behaviors traditionally assigned to the opposite sex." This puts her in the high and mighty position of wanting to change human beings not just society. Her pointers to men include ". . . touch and be close to both men and women, minimizing any inhibition over the presence or absence of sexuality in such contact."
If I, as a male unsocial engineering manager, started following this kind of advice I could be accused of sexual harrassement by the female employees and I might even be accused of lewd conduct by the male employees!
I consider articles like this inappropriate for a U.S. Civil Service magazine. You don't know who might take it seriously. Maybe President Carter has inadvertently opened up a healthy debate of the roles of men and women by requesting draft registration of both sexes.

Marvin O. Miller
Port Hueneme, CA

SURVEY CARD COMMENTS

Due to the vagaries of the distribution system, we are still receiving comments on our inaugeral issue.

Forsword was excellent. Each edition should continue to have a "specific" subject matter statement.
Philadelphia, PA

Cover was lousy. No Dali, please.
No postmark

Articles well presented. Great art work!
No postmark

Cancel it and save money.
Huntsville, AL

Keep it rolling.
New York, NY

Excellent opportunity to receive and exchange very useful information. Saves time and increases efficiency.
No postmark.

I am not a government worker. The book also applies to corporate management. I concur with what this book is publishing.
El Toro, CA

Where has this been all these years?
EPA Region IV

September 1979 issue received February 1980!
Washington, D.C. (P Ed.)

First Person, Singular (Pop Psych Training is No Panacea) was a good antedote to excesses of O.D. and O.E., and I say this as one with a PhD in Org. Dev.
Fairfax, VA

Articles such as Rickover on management surface as the most informative with a lasting self appraisal affect on managers. Let's see more in future issues.
APO NY

How about some items that deal with government employees unions and the Government?
Washington, DC

Sooner or later mid-level managers and supervisors must be informed as to their rights and obligations. SES has been flaunted and extolled. I daresay the people at mid-level have been ignored. The silence may gauge the future of reform.
No postmark.

Why not an SES membership for State and local personnelists. I have subscribed for this publication. With 30 years as a personnel director, this management copy held my interest from cover to cover. Thank you.
Gene R. Gardiner,
Personnel Director,
Worcester, MA

MANAGEMENT

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eral Agency Bulk Sub- iptions: Federal Govern- nt agencies may obtain k supplies of **Manage- nt** at reduced rates ough sharing the publi- ion costs by riding OPM's nting requisition. For se agencies not already ing the rider system or shing to increase their rder, a Rider Bulletin (FPM series 171) was issued for **Management** in January 1980.

Since FPM Bulletins are normally distributed to offices of Federal Directors of Personnel, you may want to contact that office in your agency to express your desire to get copies through the rider bulletin method. (The Government Printing Office does, however, accept rider bulletin orders placed directly by field installations.) Copies will be mailed directly to addresses as specified.

If you do not receive a copy of the FPM Rider Bulletin in January, call us (202-632-4400) and we will send you one. Thank you for your interest in **Management**.

A MAGAZINE FOR GOVERNMENT MANAGERS

MANAGEMENT

Volume 1, No. 4 Summer 1980

The Quality Circles Program at Norfolk

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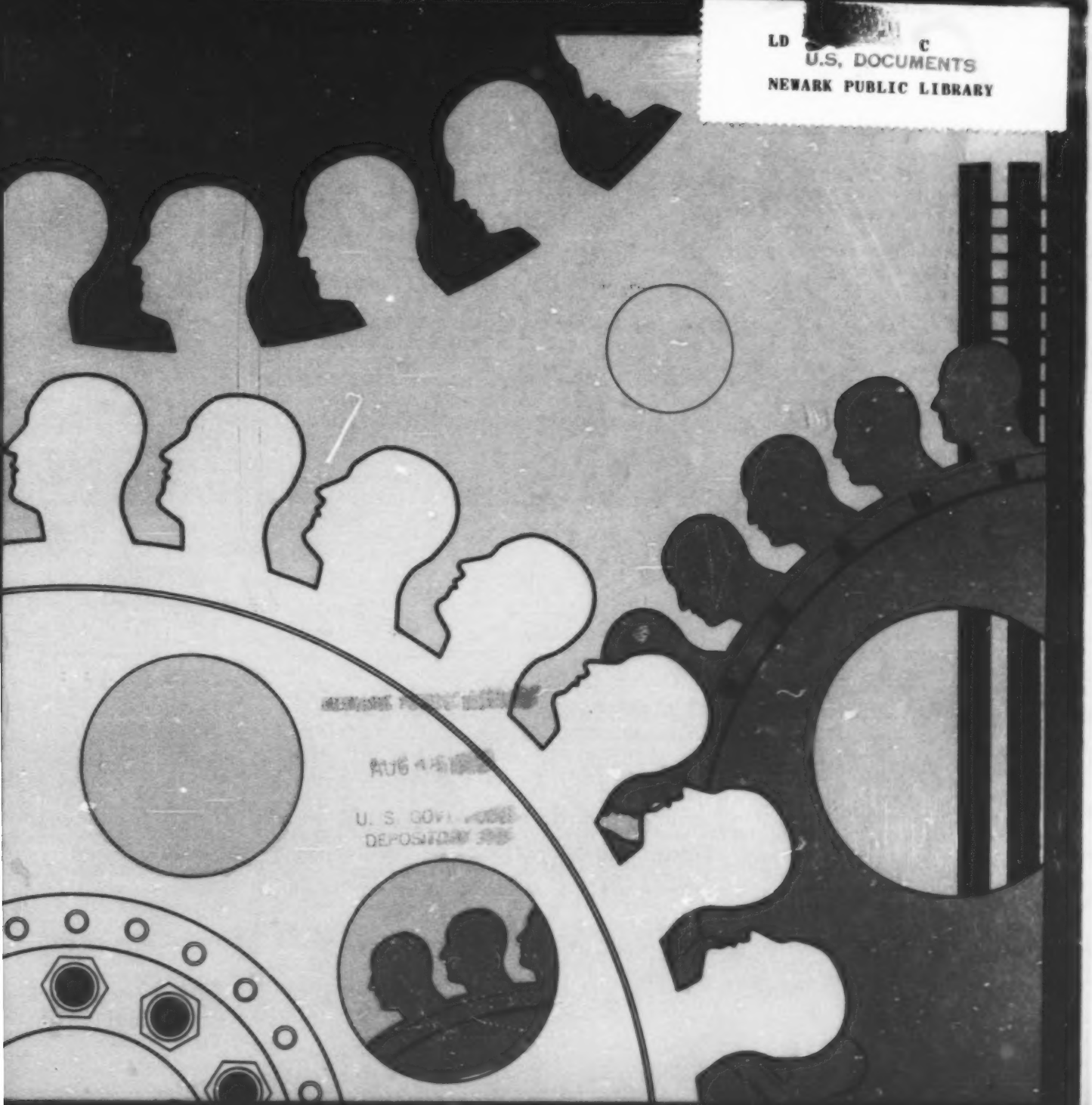

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Foreword

Some Private Perceptions on Public Management

A government career, like virtue, must often be its own reward. There is no Nobel or Pulitzer and there are few pats on the back for managing government well. Even with the institution of merit pay and other awards, it is unlikely that the world will note, much less remember, the many day-to-day achievements of public managers.

Though their accomplishments often remain anonymous, government managers operate in full public view; they can neither cover their failures nor advertise their successes. The Freedom of Information and Sunshine Acts allow very little to pass unobserved or unaccounted for; the laws on self-aggrandizement are clear. And in this skeptical time, the public often makes no distinction between elected and career officials, between passage of the law and administration of the law, between the exceptional bad apple and the unblemished rest of the barrel. The press, the public, and Congress appear to be our adversaries. (Agency heads are not usually called to the Hill for a rousing "Well done!"). And our institutionalized critics, the General Accounting Office and the internal Inspectors General, come with the territory.

These facts are not cited by way of apology, but they do define the environment in which we operate—an environment substantially different from private sector management. Wallace Sayre may have overstated the case, but not by much, when he said, "Indeed, business and public management possess many similarities, and all of them are trivial." This unique atmosphere puts a premium on being steadfast, thick-skinned, and flexible.

Though administrations change and policies alter direction, government must go forward. In this system of checks and balances, we must resist the attraction of short-term solutions and the temptation to do nothing. Daily, we have the opportunity to improve the quality of the programs we manage—to make substantive, consistent, and continuous contributions to the way this government is managed. It is at the operating level that policies are tested, refined, and evaluated. And we must function well in the heat of Harry Truman's kitchen.

Much has been made of the fact that government managers have no "bottom line" of profit and loss by which success can be measured. But a bottom line for government does exist. Goals can be set, deadlines established, and output measured. Hard decisions can be made and progress accomplished. The bottom line in government is not profits; it is performance. And it is that bottom line for which we are accountable to the public, the Congress and the President.

Alan K. Campbell

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QUALITY CIRCLES ZERO IN ON PRODUCTIVITY

AT THE NORFOLK NAVAL SHIPYARD

by Joe M. Law

Increased emphasis on worker participation in management decision making is spreading throughout the country as managers, concerned over decreasing productivity growth, look for methods to improve productivity and raise morale in their organizations.

The "Quality Circle Program," currently used by 65 American private sector companies (up from 15 a year ago, according to the *Wall Street Journal*), is working in several Government facilities, including the Norfolk Naval Shipyard, which is a pioneer among Federal installations instituting the quality circle technique.

Quality circles are small groups of workers who get together voluntarily on a regular basis to solve everyday work problems that cause frustration, hurt quality and hinder productivity. Participation is voluntary and meetings take place on company time. At the Norfolk Naval shipyard, Portsmouth, Virginia, there are nine circles, composed of from a dozen to twenty workers each. Circles engage the talents of machinists, electricians, riggers, engineering technicians and others. They meet once a week for an hour, accomplishing their regular week's work in the remaining 39 hours.

The idea of soliciting worker expertise is, of course, not new: witness the suggestion boxes installed—and often covered with dust—at many work sites. What the quality circles offer is a structured means of combining workers' practical experience with the analytical approach of the manager, and a formal channel for proposing solutions to management.

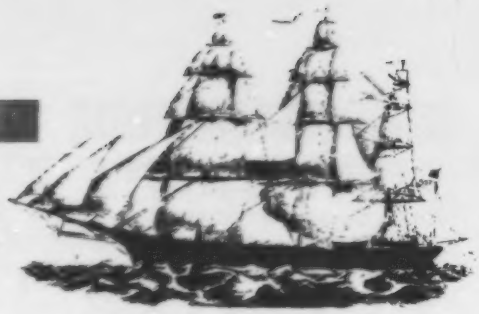
Norfolk's quality circles facilitator Duff Porter feels a key to the success of circles at the shipyard is that participation is voluntary for both managers and workers. The result is genuine enthusiasm, as well as growing appreciation and understanding among the people involved. "The workers are now convinced they have a respected means of contributing knowledge that can have a direct impact on their work life."

Well tested and widely travelled, the quality circle concept is actually coming back to its native land after being used very successfully in Japan. The Japanese economy, devastated by World War II, began a strong comeback after it began importing American management techniques. One approach perfected by Japanese managers actively involved workers in solving problems and improving techniques. Japan's success in blending worker initiatives, educated management and modern technologies spurred a growth in productivity that soon outran that of the United States. During the last 10 years, as America's productivity growth fell from a healthy 3.1 percent per year to 1.6 and then to a mere .4 percent in 1978, thoughtful people noted the changing relative positions of the two countries and began to ask questions. Discussions soon focused on the Japanese practice of using the talents of all employees.

Visiting Japan in 1973, Lockheed Missile and Space Company managers were impressed to learn that quality circles sometimes solved problems that baffled professional engineers. They saw that circles motivated employees by enriching their jobs, encouraging leadership, and increasing their sense of participation. And they noted that a successful quality circle program required strong top management support and the involvement of middle management and employees.

Following the visit, Lockheed became the first U.S. firm to adopt the quality circle concept. By the end of 1977, Lockheed estimated that the circles had saved $3 million, 6 times the cost of operating the circles. The number of defects caused by manufacturing process problems dropped 67 percent. And a survey of quality circle members showed improved morale and job satisfaction.

General Motors also began to try quality circles in several highly structured and controlled work situations involving assembly line operations, machine pacing, short work cycles, routine work, and sharp delineation of job jurisdictions. Experience with the program soon showed increased employee enthusiasm, noticed especially by lower level managers.



In addition to better morale, studies in both Japan and the United States have consistently shown the following advantages: improved communications at all levels up and down the line, a reduction in conflicts between employees and supervisors and management, improved quality and greater awareness of costs.

The quality circle concept has an added advantage in that it requires little or no change in existing organizational structures. The circle method is a relatively simple technique that can be used in any work situation. And both workers and management benefit when work-related problems are solved in the circle.

When the success of private industry quality circle programs came to the attention of Norfolk Naval Shipyard managers, shipyard commander Captain Alfred Kurzenhauser sent a study team to the Sperry Vickers plant at Jackson, Miss.

"Eight of us spent a total of three months checking out the program from all angles. We became highly impressed with it, particularly with the employee involvement and enthusiasm we found. We realized this was an exciting program with tremendous potential, and recommended that the shipyard establish a trial program," reports David B. Francis, head of the skills and technical development branch of the shipyard. Without quality circles, Francis notes, employees weren't often asked to help solve problems. Problem solving was regarded as management's job. As a result, he says, employees filled management's lap with problems rarely accompanied by solutions.

When the project was undertaken at Norfolk, whose 12,000 employees make it the second largest employer in Virginia, shipyard unions showed their support by filling positions on the steering committee that directs the program. Shop general foreman Duff Porter volunteered and was selected to serve as facilitator for the program soon after the pilot project was authorized. "Our approach is predicated on the basis that the resident experts are the people who do the work," Porter says. "If there are problems, they should know about them and they should have an incentive for solving those problems and improving the quality of their work life. Time has proved us right. We also realize that the biggest expense today is for labor and it makes sense to reap from workers' brains as well as their bodies."

Deciding against aiming for quantity and quick results from the project, the shipyard emphasized quality in its circles while carefully forming foundations intended to support solid, long term results. The program was limited to nine circles during the trial year, with each solely on a volunteer basis. Eight hours were spent training each circle, including briefing members on how the circles would work and describing procedures used to solve problems and to present proposed solutions to management.

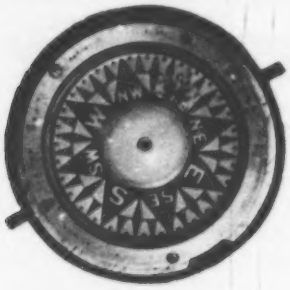
Ground Rules include:

- *forming each circle from an individual work place*
- *involving a supervisor as circle leader*
- *starting meetings on time*
- *limiting sessions to one hour a week*
- *working only on problems within a circle's work place*
- *concentrating on one problem at a time*
- *ensuring that every member has a chance to contribute and participate*

"Personality problems are off limits," says David Francis. "And we don't get into staffing and other management areas." Another rule is that there will be no criticism or ridicule from circle members to any member's problem-solving suggestions. Porter notes that it's the quiet introvert in a circle who's likely to come up with a solution.

Each circle identifies its own problems, establishing their order of priority. After exploring ways to analyze and measure the problem, they discuss and evaluate proposed solutions. If technical expertise outside the skills of a circle's members is needed, members can get outside

advice and assistance. Although sessions are limited to an hour, employee enthusiasm is such that members often carry circle projects home so they can spend extra time on them. When the project is complete, circles make formal presentations of their proposed solution to management.



"I like the quality circle approach," says machinist Ray Stone. "If one or two people complain about a problem or offer a solution, nobody listens. But when you hand management a package deal, everybody listens." Stone's group, the Solution Seekers, came up with a $225 solution to their first problem—standing in long lines to get tools. First, the circle verified for management that there was a real problem: they showed that there was an average wait of 12 minutes at three different windows, with each using a different computer to keep track of only its own tools. The waiting was sometimes compounded when workers had to go from one window to another, each time going to the back of the line. The circle's solution was to hand out all tools at all windows, using only one computer. The $225 paid for signs that went up at the three windows, explaining the new policy. The new system cut the waiting time to five minutes, a survey showed, with a resulting savings of $206,949. This one saving paid the costs of the entire quality circle program in the shipyard four times over.

"If you can save him $200,000, the boss just has to get with the program," says circle member Troy Anderson.

Charles Trull, a shop supervisor who leads the Solution Seekers circle, agrees: "Any suggestions that definitely justify changes, I think will be accepted. I saw a lot of possibilities for a quality circle and it has done a lot of good for my shop. It makes my job easier. If you're not getting input from your employees, you'll be trying to manage the outfit on your own and may only look out for your own interest."

For every dollar invested, quality circles have saved the Norfolk Naval Shipyard $3.75. The net savings, after deducting all costs of operating the program, including staff time and travel, were $150,000 in the first year.

More than 30 organizations, both in government and the private sector, have come to the shipyard for information on its quality circles program. Captain Kurzenhauser feels that all industry ought to use the program: "The quality circle concept is easily the most exciting and least costly idea for improving productivity to come along in 20 years."

"Managers who are aware that slumping productivity is a matter of great concern all across the nation are the ones most likely to be out in front in the programs," says Duff Porter. "These are the people who are most likely to be permitting, and even leading, their workers to take part."

Next year the Norfolk program will increase from nine to 36 circles, expanding into administration, planning and estimating and submarine production.

Joe M. Law is a Public Affairs Officer at Norfolk Naval Shipyard, Portsmouth, Virginia.

WHAT IS TOTAL COMPENSATION COMPARABILITY?

All survey information available to the Federal government indicates that benefits are an increasingly important part of both Federal and non-Federal employees' compensation. Over 30 percent of the cost of compensation for Federal employees now goes for benefits. In the private sector, surveys have shown that benefits costs range from something less than the Federal figure to something considerably higher. From two points of view—their value to employees and their costs to employers—benefits can no longer be disregarded in the comparability process.

by Barry E. Shapiro

Since Congress in 1962 established comparability as the guide for the Federal pay system, the principle of setting Federal pay on the basis of comparability with pay in the private sector has proved to be a sound one. It is equitable to taxpayers and Federal employees alike, and it has enabled the Federal government to compete fairly in the labor market for well-qualified employees.

Yet there have been problems with the way this principle has been implemented that damage the pay system's credibility and detract from the flexibility necessary for any effective management tool. Not least among the shortcomings of the comparability system is the exclusion of benefits from the measurement and adjustment process.

It is well-known in the private sector that pay and benefits together, not just pay alone, make up the total cost of compensating employees. Premiums for health and life insurance, contributions to a retirement fund, and paid time off cost the employer money, and are recognized as costs of labor. This is particularly true of those costs that are obvious at the time an employee is hired—the employer's share of insurance premiums, for example. In some cases, however, the long-range costs have been underestimated. Retirement benefits, in particular, have been poorly reckoned; hence, the financing requirements imposed under the Employee Retirement Income Security Act.

In the public sector, where there is no access to the so-called "bottom line" or profit/loss statement, it has been relatively easy to misunderstand and underestimate the true costs of benefits. Under the principle of comparability, changes in Federal pay rates affect the cost to the Government and the value to the employee of various elements of the benefits portion of the total compensation package—and these elements themselves are occasionally changed by the Congress. But no formal evaluation is made of the combined value of pay and benefits when changes are made in any part of the total compensation package. And no consideration is given to the interrelationships of pay and benefits received either by Federal employees or by non-Federal employees covered by pay surveys. There is neither a statutory policy to guide Federal employee benefits program determinations nor a systematic administration process for evaluating and adjusting benefits provisions.

The Administration has pending before Congress a legislative proposal to deal with the current fragmented approach to Federal employee compensation. The proposed Federal Employees Compensation Reform Act (S. 1340 and H.R. 4477) would, among other things, replace the current pay comparability system with a total compensation comparability system. Under the proposed system, the combination of pay and benefits for Federal employees would be comparable to the combination of pay and benefits provided to non-Federal employees doing similar work.

The concept of total compensation comparability for the Federal service is not new. Prior to enactment of the Federal Salary Reform Act of 1962, the Bureau of the Budget (now OMB) considered an approach to salary comparability that would have included evaluation of benefits. Because a sophisticated method for evaluating employee benefits was not then available, basic pay was selected as the only element in the comparability process. The following study groups subsequently recommended that pay and benefits be evaluated together: the 1965 Special Panel on Federal Salaries; the 1966 Cabinet Committee on Federal Staff Retirement Systems; the General Accounting Office in a 1975 report to the Congress; the 1975 Report of the President's Panel on Federal Compensation; the 1977-78 President's Personnel Management Project; and the Advisory Committee on Federal Pay in a 1979 report.

While the idea that a Federal employee's total compensation should be comparable to a non-Federal employee's total compensation sounds rather simple, introducing benefits into a comparability program is complicated. Implementation of a total compensation comparability program can vary according to what items of compensation are included, the kind of benefit evaluation used, and whether pay and benefits are treated separately or as an integrated whole.

What items of compensation would the Federal government include under total compensation comparability? The proposed bill does not include a laundry list of covered items, but has a general, rather all-inclusive definition. In addition to pay, total compensation includes all entitlements provided by an employer in exchange for work by an employee that have a value—direct or indirect, immediate or deferred—to the employee. For the purposes of Federal total compensation, the President will designate the benefits that will be included in a particular year's total compensation survey and adjustment. Initially, the benefits included in total compensation will be retirement, health and life insurance, annual and sick leave, and paid holidays. Other benefits, like savings and thrift plans, are being studied for future inclusion. While there will probably be some benefits (employee discounts, for example) that will never be included because of technical problems in collecting and analyzing data, there really are no benefits that are not covered by the concept of total compensation comparability; there are only those *not yet* covered.

The method used for comparing the value of benefits is also significant in designing a total compensation comparability system. There are two principal methods available for this purpose: the cost-of-benefits approach and the level-of-benefits approach. If the Government were to use a costs-of-benefits approach, it would simply collect information from non-Federal employers on how much money they spend to provide benefits to their employees and compare this to the money Uncle Sam spends for similar benefits. Many independent organizations, including the U.S. Chamber of

Commerce, use this method to measure trends in employee benefits. Such surveys clearly show the growing importance of benefits in employee compensation, but the cost-of-benefits method's usefulness for achieving total compensation comparabiiity is questionable. Because only employer *costs* are compared, there is no way of determining the amount, degree, or quality of the benefits being purchased.

In level-of-benefit comparisons, by contrast, the actual benefits provided to employees are compared and evaluated. By this method, the face values of life insurance policies provided to employees are compared, rather than the employer's expenditures for premiums. The possibility that equal insurance benefits might cost one employer more or less than they cost another is not a factor in this evaluation process because the actual expenditures are not considered. All benefit programs, Federal and non-Federal, can be evaluated in this way. Differences resulting from such factors as funding, use, and workforce characteristics are not considered.

The Administration plans to use a method called "standardized cost" which is a level-of-benefits method. Information on actual non-Federal benefits programs, most of which will be collected by the Bureau of Labor Statistics, will be analyzed to determine what it would cost the Federal Government to provide those benefits to Federal employees. A similar analysis will be made of the cost of providing existing Federal benefits. The standardized cost method allows both pay and benefits to be expressed in terms of a common measurement standard (dollars) and cancels out any differences in benefits costs that result from differences in workforce characteristics or employer funding practices. It is important to remember that this method measures the true actuarial cost or value of the benefits, not how much the Federal Government spends for them in any given year. In any given year, the "cost" of benefits may be more or less than that year's "expenditures" for them.

Another major consideration in designing a total compensation comparability system is whether pay and benefits will be compared and adjusted separately or as an integrated whole. The proposed bill provides for pay and benefits to be dealt with as a whole. The combined value of non-Federal pay and benefits will be compared to the combined value of Federal pay and benefits—to determine the adjustment required to achieve total compensation comparability. While it will certainly be possible to compare Federal pay to non-Federal pay and each Federal benefit to its corresponding non-Federal benefit, the proposed bill does not require this. Rather, the determination as to which parts of the total Federal compensation package ought to be adjusted will be arrived at by careful consideration of both management needs and employee preferences.

What does all this mean for the Federal compensation program? As stated earlier, initially pay plus the six major benefits (retirement, health and life insurance, annual and sick leave, and paid holidays), representing probably ninety percent or more of most employers' benefits programs, will be covered by total compensation comparability. Also, the initial adjustment will probably be of pay only. Eventually, it will be possible to evaluate and adjust individual benefits. Once the total standardized cost of total compensation is determined, decisions on allocating comparability increases to each element—pay or one or more benefits—can be made on the merits of the specific changes; the standardized cost of the total compensation package is not increased.

Procedurally, total compensation comparability will operate much the same way pay comparability operates. The President's Agent will oversee the conduct of a pay and benefits survey by the Bureau of Labor Statistics. (If necessary and appropriate, the President could designate other sources of data to be used.) The survey coverage and analysis of its results will be determined by the Agent in consultation with the Federal Employees Compensation Council. In making a total compensation comparability adjustment, the President will have both his Agent's recommendation and the recommendation of the Advisory Committee on Federal Compensation.

If the President decides to apply the entire amount of the required total compensation adjustment to pay, he will do so by Executive Order as he now does for making pay comparability adjustments. If, however, he proposes to change any benefit provisions—for example, by increasing the Government's share of health or life insurance premiums—he will have to submit a proposed benefits adjustment plan to the Congress. If a majority of both Houses of Congress votes against the benefit adjustment plan, the President can veto this action, in which case a two-thirds vote of each House will be required to override the plan.

The President will not be able to adjust retirement benefits this way. Retirement will be included in the total compensation comparison, but any proposed changes would have to be through legislation.

As with the current pay comparability system, the President will be able to submit an alternative plan to the Congress if he believes full total compensation comparability is not appropriate because of "national emergency or economic conditions affecting the general welfare." Congress can override such an alternative plan by following a procedure similar to that for overriding a proposed benefit adjustment plan.

While implementation of total compensation comparability is expected to produce significant cost savings for the Government, its real purposes are to enhance the credibility of a now narrowly-defined comparability system, and to enable Federal managers to deal more objectively with a complex compensation program.

Barry E. Shapiro is Assistant Director, Office of Pay and Benefits Policy, Compensation Group, OPM.

PUBLIC INFORMATION IN GOVERNMENT:

SOME CONTRASTING VIEWS

The importance of public affairs offices grows virtually daily as the demands of both specialized press and the mass media increase. More questions are raised, more answers required. As a result, there are about 2,900 Federal employees who are public information specialists (GS-1081), another 2,178 who are writer-editors (GS-1082), and many others who perform information functions, regardless of their job descriptions.

What is their proper role? How do they relate to program managers? Should they enter into the policy making process? If so, where? With these and other questions in mind, *Management* talked with several current or past public affairs specialists, each with a different background and view.

What they agree on, above all else, is that the public has the right to know the truth. Public information specialists are there because of two parallel, inevitable pressures: first, because program managers both need and want to inform the public of what is being accomplished; second, because there is a wider spectrum of media than ever before, insisting that answers and explanations be given more quickly and more completely than ever before. Excerpts from the interviews follow.

Eileen Shanahan *is a native Washingtonian, a daughter of a career civil servant. She was raised with the view of Federal employment as a privilege and special responsibility. She has worked for the United Press, the* Journal of Commerce, *and as "head flack" (the description is hers) of the Treasury Department Tax Division under Secretary Douglas Dillon during the Kennedy Administration. From there she went to the Washington Bureau of the* New York Times *as its economics reporter. After 14 years at the* Times, *she served for two and a half years as Assistant Secretary for Public Affairs at HEW when Joseph A. Califano, Jr. was the Secretary, and is now Senior Assistant Managing editor of the* Washington Star *newspaper.*

Q. You've seen government public affairs from both sides as reporter and government spokesman. What advice do you have for government people who deal with the press?

A. Rule No. 1 is, Don't lie. Rule No. 2 is, Don't mislead. I can tell you who lied to me twenty years ago and so can any journalist. The press accepts the idea that it's perfectly OK to put your best foot forward . . . to accentuate the positives and maybe not to tell the negative unless asked. That's within the rules. But to lie or to misrepresent is unacceptable.

Q. What do you mean by misrepresent?

A: Mislead may be a better word. A lot of people fill you with facts that are irrelevant. Before I took the HEW job, I talked to four or five people with government PR experience. Bill Greener who was at HUD and Commerce and in the Ford White House gave me the best, most useful advice. One thing he said was to lay down the law to your people that you don't want any "35 miles from Baltimore" answers.

Q. Meaning?

A. If I tell you, "It's 35 miles from Baltimore to my office and I drive to work every morning in eighteen minutes," both of the facts are true; but it certainly is misleading if I don't live in Baltimore. I remember as a journalist challenging Ron Ziegler (a former White House Press secretary) on something and he gleefully showed me a tiny little loophole he had left himself to leave a wrong impression without telling an absolute lie. You can get a bad reputation for that kind of trick and you deserve it.

Q. How good is the press in judging the people in government with whom they deal?

A. I think the press is hardly ever wrong in the judgment of who's smart and who's dumb, who's a hard worker and who isn't.

I thing the press is often wrong about who is a nice person or is really an SOB. Some people are smooth and clever with the press and reporters think they're good people when they're not. Others are shy and uncertain . . . maybe have never dealt with the press before and the press thinks they are terrible when they are not.

Q. Let's shift ground. How important is public affairs to government agencies? Is its role increasing?

A. Of course, it is important. Today, you have to think about a much more complex array of press than you used to. Twenty or thirty years ago, you were mainly concerned with the daily print press. Now, on one hand there is the TV demanding that a story be told in three sentences for a mass audience, and on the other, specialized trade publications that can be enormously knowledgeable, but also, some of them, enormously unfair.

Q. Has government public affairs slipped into public relations, despite the law?

A. I think there are certain things you do not do and there are things I learned to be careful about. You don't contact members of Congress unless they initially contact you.

But of course the government engages in what, by any reasonable definition, would have to be called PR. At its best, it is a matter of explaining things that people want explained, whether it is a legislative proposal or regulation, or investigation or whatever it is.

The public has the right to know, not just through its own efforts, but to have information put out there on the table where they can see it. The world's too complicated to operate any other way.

Q. Do you think it is wrong for the PR people to serve as advocates for their agencies' policies and programs?

A. I think inevitably you serve as an advocate. It is a question of honest advocacy. If an agency is putting out a paper that explains a legislative proposal, inevitably it suggests the proposal is a good idea and says why it is a good idea. If it was a bad idea, they would be doing something else.

I am not personally concerned about an army of government public affairs people. There may be some short-term manipulation. If the press is lazy, it gives the PR advocate an advantage. Some members of the press can be damned lazy. But that isn't the fault of government.

Q. Do you think Public Affairs should be involved in early stages of policy making?

A. Every stage. Right from the beginning. Joe Califano understood that and I think that's one of the reasons for his success at HEW. He understood that the public affairs people bring a special breadth of knowledge and a special point of view to policy discussions. Not too many top officials do understand that, judging by the complaints I used to hear from my colleagues in other Departments.

Q. Should the average manager feel comfortable talking to the press or should they always go through the public affairs office?

A. I'll tell you what I think is the optimal way. Any operating official who feels comfortable talking to the press ought to. But officials would be wiser not to take press calls right on the spot. Try to get your secretary to find out what the reporter wants. Most press will tell you.

Then get your PR person in there and if the reporter has told you what he or she wants, well, set whatever wheels in motion you need to answer their questions. There's no reason not to make news. A press inquiry is a perfectly good time to decide what you think about something.

If you don't know what the reporter wants, get your PR person in to help you guess what the press does want. But don't just answer the questions. Think about what you want to say that the reporter might be interested in. What is the message you want to get across? Then talk to the reporter.

Q. Do you have any feelings about career civil servants and their working relationships with appointees coming in from outside Government?

A. I had eight key jobs in that office at HEW and ultimately had six of them filled with civil servants, five of them to my total satisfaction. But only two of them were in the same jobs when I got there. I think the outsider problem is not that great for someone like me who has been in Washington all my life and worked as a journalist and knew a lot of the elementary things, at least. There were a lot of things that I didn't know and one of the worst mistakes I made, and I think most new people coming into Government do, is thinking, "Oh, that civil service junk. To hell with that, I'll let somebody else do that. I haven't got time to understand that. It's policy and programs I care about." Well, it took me about a year to realize that meant I had handcuffed myself in dealing with personnel problems and dealing with the personnel people, who will show you how to stretch the rules sometimes to hire the people you want to hire but will never help you get rid of even a total incompetent.

Q. How would you define your Department of Public Affairs role?

A. One wag has said that we used to give out seeds and now we give out information. Our Department's enabling act says we are here to provide information. We are public information specialists, not public relations people. I feel that an information division should be the public's advocate—not a political party advocate, not a program advocate, not even a department advocate.

Q. What about your own role as director? Advocate or information giver?

A. Both roles work together. I need to initiate the development of information and also provide it when asked for it. I feel that I am as much a journalist as the guy on the *Washington Post* or the *Washington Star*. I realize reporters don't look at me that way, but I want everything we put out to be clean enough that they will accept it as being as unbiased as possible. Their perception of me as an objective "reporter" is important.

Q. How do you maintain enough control to reach for that quality?

A. We run a very centralized operation. All press releases, all radio materials, all television materials, all publications must come through this office before they're issued. We call that "coordination" rather than control.

To keep coordinated, we meet weekly with the 17 agency directors of public information and with others regularly. We believe that the best way to communicate with people is to do just that. We are a big department with a lot of people and we must have a lot of give and take to maintain quality.

Hal Taylor *is Director of Public Affairs at the Department of Agriculture. For over 30 years, he has worked or taught at land-grant colleges—Ohio State, Michigan State, University of Wyoming, Texas A & M—in the information field or worked at the Department of Agriculture. He joined Agriculture in 1960 when Ezra Taft Benson was Secretary and has worked under five additional Secretaries—Orville Freeman, Clifford Hardin, Earl Butz, Jack Knebel and Bob Bergland.*

Q. It's been almost 20 years since you first came to Washington. What kind of changes have you noticed?

A. The demand from the outside for information and the pressure from the inside to disseminate information is far, far greater today than before. For example, we produce 3,000 radio tapes a week, a weekly, half-hour television show, and about one film per week for use on local television news stations. And we develop and distribute 150,000 to 200,000 copies daily of publications totaling 50 million or so copies a year. We also handle up to 1,000 letters each day and field more than 9,000 telephone calls. And we also issue thousands of press releases each year—too many probably, but we feel people need to know what we're doing.

We do more than $25 million worth of printing in this department . . . about $10 million in forms for gathering information, about $15 milion for publications. We are barely able to keep up with the internal pressure for distribution of information, and the demand from specialized press, the regular press, the broadcast media, and special interest groups is virtually overwhelming.

Q. Any other changes?

A. The audience for our material is different and that means their interests are also different. That means, too, we use different methods of distribution. Farmers only account for about 4% of the population today so that publications and information on what to grow and how to grow it, on farm prices, markets and forecasts, while still our basic responsibility, are now only a part of our obligation.

More than ever we have to explain what we are doing so the 96% of the population who are not actively engaged in farming understand us and also benefit from our programs, and we have to do that

through the non-agricultural media.

People today want to know about nutrition and food stamps, food safety, food quality, and consumer affairs. They're all greatly interested in the environment and in conservation. These interests create quite different demands on our department today.

Q. What are your major problems in meeting that kind of demand?

A. My answer is biased, of course! Information invariably gets the short end of the stick in terms of funding, personnel, and program activities. The choices are simple: Either we get more information people, sharpen up the ones we've got, train non-information people in what to do, or we have to stop putting out so damned much stuff. The fact is that there are already too many people trying to do information work who are neither trained for it nor in public information jobs. These are frustrations I have. We're trying to solve them by being more efficient, abolishing duplications, planning better, setting priorities, making adjustments in how we assign the people we've got. But all these are slow processes. I get very impatient, I'm sorry to say, about our progress.

Q. Have you ever been subjected to political pressures that you thought violated your career civil service obligations?

A. Not frequently, but on a couple of occasions. In one administration, it was suggested that we put the president's picture on every publication. On other occasions, we have been asked to do something that helped in a campaign.

In every case, we stood up for what the law says . . . no aggrandizement of individuals, no political activity . . . and we won. Political people are not difficult once you get their respect, and you get that respect when you know the law and stand up for it. And, once they see what we can do professionally, they frequently are our best supporters. We simply have to understand each other's role.

Q. How do you learn what the policies are for an administration?

A. Again, through talk and listening—through communication. I attend the Secretary's staff meetings which are held every other day. Each day I meet with the Assistant Secretary for Public Affairs and his other directors. I meet regularly with my own assistants, who keep daily and weekly logs of priority jobs. I share this information with others with whom I meet. And, of course, I get massive amounts of memos, clippings, reports, and directives. I may not read everything, but I certainly look at it all and table it for future reading or thought.

Q. Have you developed any new ways to get information to the public?

A. Probably it's best to say that we've developed new approaches to old methods. For instance, many of today's problems require trade-offs

for solution or at least to break some of the absolute positions people develop on certain issues. One of the things we have done has been to produce what we call "issue briefing papers" to provide background—pro and con—on significant matters that affect both the Department's programs and the public. We send them to op ed editors, writers, officials of special interest groups, and they've been received very well.

Q. Any other ways?

A. Well, some years ago we established a unit of writers and gave them specific subject matter areas to work in. Then when we anticipated problems, those folks would write papers or special publications on a crash basis. The unit gradually evolved into one that dealt with about five major program ideas—farmers' contributions to the national economy, better nutrition, better living, a more satisfying environment, and world food supplies. Much of the material produced now goes to schools, consumer organizations—groups we'd never reached before.

Joe Laitin *first came to Washington almost 40 years ago as a young wire service reporter. Since then he has been a war correspondent, an economics reporter, a campaign aid to Averill Harriman and Adlai Stevenson, a weekly newspaper editor in Arizona (for six weeks), and a free-lance writer in Hollywood for ten years. Since 1963, he has served in various government agencies in Washington: at the old Bureau of the Budget (now OMB) under President Kennedy, as Deputy Press Secretary to the President (under Lyndon Johnson), again at Budget under Richard Nixon, later as Assistant Secretary of Defense (until fired by President Ford along with his boss, James Schlesinger) and as Assistant Administrator of the FAA (under Ford), and as Assistant Secretary of the Treasury since 1976 (under Carter). He also served as Director of Information for a number of Presidential Commissions.*

It is not true, as some people suggest looking at this resume, that there are two or three Joe Laitins. He is singular.

I am frequently asked how to handle difficult public affairs situations. I don't have a check list, like an airline pilot for his pre-takeoff and prelanding ritual, because every situation has to be dealt with as a separate problem. There are no pat answers. In an emergency, I have no emergency procedures for the simple reason that every emergency has a different character and a different cast of players. I mention this because as a practitioner of a very imprecise art, I have no tablets of stone to hand down. I suggest only that government information people sensitize their fingertips to the problems of dealing with the public. They are there to be served.

Laitin's Laws

(As created, stolen, or adopted)

1. When in doubt, put it out—consistent with national security, of course.

2. A government public affairs officer is humble.*

3. A good government information man caters to the press. He does not pander to the press.

4. The public has the right to know. While we all have pressures sometimes to tell something less than the whole story, we also have a bounden duty to provide the facts. It is not always easy.

5. There is quite a difference between an open door policy on information and an open mouth policy. You cannot run a government, or a business for that matter, by blabbing the truth in every detail.

6. There should be an adversary relationship between the government and the news media. This can be and often is a healthy relationship.

7. During the seventies, too many news media people considered a government official guilty until he proved himself innocent.

8. In the old days, idealistic journalists carried the torch of truth; now they carry a blow torch.

9. Bad news does not get better with age. Put it out when you get it.

10. Is a lie ever justified? I don't know how to honestly answer that question—but if I ever did lie, I know it would be to save somebody's life, not to save somebody's skin.

**One incident that always serves to remind me of my proper place—a servant of the people, if you will—occurred when I was Deputy Press Secretary to President Johnson.*

The White House switchboard put a call through to me from UPI. It was 4 a.m. The UPI desk man had a rather routine question and I snarled, "Helen Thomas (White House UPI correspondent) could have answered that question for you."

"I know," he said, "but I wouldn't dare call Helen Thomas at this hour."

EMPLOYEES, SUPERVISORS DON'T AGREE:

WHAT REALLY MOTIVATES WORKERS?

by Richard E. Wasiniak

In 1959 Frederick Herzberg published *The Motivation to Work.* Three years later David C. McClelland wrote an article for the *Harvard Business Review* entitled "Business Drive and National Achievement." Both works were milestones in the study of worker motivation. Both reported evidence that achievement is the primary motivator in the working world—not status, job security, working conditions, or even profit.

Nearly 20 years after Herzberg's publication, I felt it would be valuable to take a look at motivation in the Social Security Administration, to see whether things had changed since Herzberg's revelations of 1959. I was also interested in determining the role that first-line supervisors play in motivating their subordinates.

Between March and August 1978, I was able to secure information on motivators from 75 first-line supervisors and 100 subordinates in one of ten SSA regions. Respondents were selected at random from groups of field office employees and first-line supervisors and information was secured through two questionnaires, one for each group.

Most of the survey questions evolved from these five:

1. What motivates non-supervisory employees to do a good job?
2. To what extent are first-line supervisors aware of these motivators?
3. Are there any significant differences in employee motivators according to age, sex, or length of time on the job?
4. How much control do first-line supervisors maintain over these motivators?
5. How much control do first-line supervisors think they maintain over these motivators?

Conclusions

1 The results of the study support the findings of McClelland and Herzberg. The desire to achieve is by far the primary motivator of employees. In fact, 96% feel they are highly motivated from "the feeling of achievement you get from doing challenging work well," while 94% are highly motivated by "your inner need to always try to do a good job."

Out of 20 motivators, employees ranked achievement-oriented motivators highest, followed by those that were recognition-oriented. Last on the list were: "Feelings of loyalty and friendship for your supervisor" (18th); "Being appointed the leader of a work group" (19th); and "The possibility of disciplinary action by your supervisor" (20th).

2 There is no significant difference in the top motivators of employees according to age, sex, and length of time in their current positions. Achievement is the top motivator in each group, followed by recognition.

3 First-line supervisors as a group do not have a good understanding of factors that motivate their employees; they tend to underrate the achievement motive and overrate the recognition motive. They also tend to drastically underrate their employees' desires to help the agency reach its goals.

Supervisors seem to see employees as more externally motivated than they really are, heavily overrating the power of such motivators as peer recognition, the annual performance appraisal, work group membership, and disciplinary action.

4 Presently, our supervisors do not have very much control over the strongest employee motivators. In fact, they have significantly less control than they think they have and probably much less than they could have.

On a scale of 1 to 5, with 1 representing "no influence" and 5 representing "almost complete control," employees rated the degree of influence they believed their supervisors had over their top motivators. Employee responses averaged 2.55, or someplace between "very little influence" and "some influence."

Supervisors, on the other hand, believed they maintained much more control over those factors that motivated their employees. Supervisors rated themselves at 3.32, between "some influence" and "a great deal of influence."

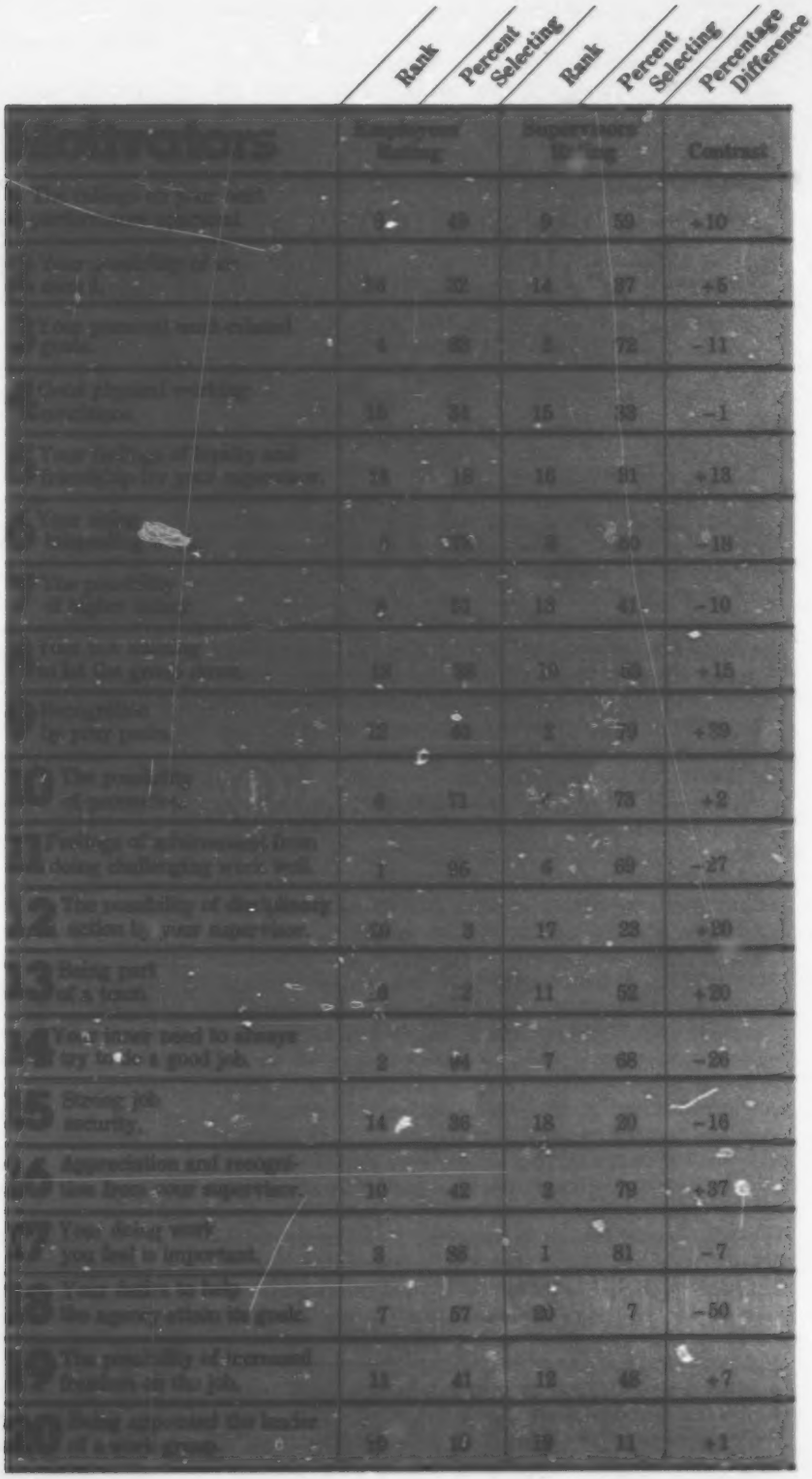
5 We need to learn more about the achievement motive. For instance, to what extent are external motivators such as salary, promotion, and group leadership actually symbols of "achievement" to the achievement-motivated employee? Why is the achievement motive so dominating? Can the achievement motive be taught, as many researchers believe? How can supervisors learn to motivate their employees through the achievement factor?

6 The ultimate conclusion is obvious. At present, our supervisors, as a group, understand very little about employee motivation. As a result, the agency may have difficulty reaching its goals unless first-line supervisors understand how and why their employees become motivated to do a job.

Given their apparent lack of understanding, asking supervisors to motivate employees is like asking a person who knows very little about cars to fix one—without even a repair manual. We are asking our supervisors to learn by trial and error. And according to this study, there has been a great deal more error than we can afford to accept.

For the most part, first-line supervisors in our agency are dedicated, efficient, and motivated. They are "rugged individualists," as they need to be in order to contend with the tremendous pressures that bombard today's federal supervisors.

But the job won't get done without a motivated, turned-on staff that responds to the direction of its supervisors. And we are just not doing enough to teach supervisors the skills they need to direct and stimulate employees toward goal achievement. It's time to face that fact and to get serious about taking some creative and dramatic action.



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No official support or endorsement by the Social Security Administration is intended or should be inferred.

HEW STUDY

PRESENTS OPTIONS ON POSSIBLE SOCIAL SECURITY COVERAGE

After over two years of study, a Department of Health, Education and Welfare report on extending Social Security coverage to employees of Federal, State and local governments and private, non-profit organizations was completed and submitted to Congress on March 24. The report did not take a stand on covering these currently exempt employees; it presented Congress with options for extending Social Security coverage to Federal employees by integrating the benefits provided by Social Security and the civil service retirement system. The study made available for the first time a wide body of information on the extent of current coverage under Social Security and other public pension programs, and identified certain gaps and overlaps which exist in benefits.

According to the report, 9 out of 10 American workers (some 100 million people) are covered under Social Security. Nine out of 10 employees of non-profit organizations are covered, as are 7 out of 10 State and local government employees. Nine out of 10 Federal government civilian employees, however, are not under Social Security. (Those covered are non-permanent employees.)

Employee and retiree organizations had anticipated that the report would make proposals which would be threatening to the existing civil service retirement system. Despite the report's tone, the groups indicated that they will continue lobbying efforts to retain the system as it is. Responding to such employee concerns, President Carter has announced his commitment to protect employees' rights under the current system:

"First, I would entertain no proposal that would reduce the benefits of persons already retired or employees eligible to retire. Nor would I entertain any proposal that does not assure the benefits of those who are now covered by the civil service retirement system.

"Second, I would insist that the civil service retirement system continue to operate as a separate, independently-funded system. The civil service retirement system will not be merged into Social Security, and the money in the fund must continue to be used exclusively to pay benefits to Federal employees, retirees, and their supervisors.

"Finally, all of us will need to examine carefully and thoughtfully the Study Group's report, . . . and you may be assured that this administration will reach no conclusion on the need for legislation until there has been a thorough and broad-based debate of alternatives."

The civil service retirement plan and the Social Security program developed independently, based on different philosophies. The civil service retirement system was established in 1920 as a comprehensive staff retirement plan for employees of the Federal government and the District of Columbia, with all benefits stemming from the employer-employee relationship between the United States and the employee. It was designed to encourage full Federal careers by providing retirement benefits directly related to an employee's salary and service. In order to be eligible for benefits, employees must meet both age and length-of-service requirements. Civil service pension income is taxable and is protected against inflation by cost-of-living adjustments. Income from other sources has no impact on civil service retirement benefits.

The Social Security program was established in 1935 as a social insurance system. Modified through the years, it currently provides old age (including dependents), survivors and disability insurance as well as Medicare to all insured workers. People drawing benefits while they (or the person on whose earnings their benefits are based) continue to work may have their benefits reduced, depending on the amount of current earnings. However, no test of an annuitant's assets

or other unearned income is involved. There is no Federal income tax on Social Security benefits, which are increased to keep pace with inflation.

While civil service retirement benefits are directly related to an annuitant's previous earnings, Social Security benefits are indirectly related. Social Security benefits are weighted heavily toward workers with dependents or persons with low average lifetime earnings because people in those groups cannot afford to take as significant a percentage reduction in income as single or higher paid workers can.

Other differences come in areas of retirement age and monthly benefits. A Federal employee can, in certain situations, retire as early as age 43 on a reduced pension; the earliest retirement age under Social Security is 62. Full retirement benefits can be paid under the civil service system at age 55, while the age for full retirement benefits under Social Security is 65. Social Security benefits can be withheld in various amounts if the recipient, though "retired," earns above a certain income level; civil service retirement benefits are unaffected by additional earned income. Federal employees do pay more into their retirement fund than Social Security requires. (It should be noted here that many private sector firms offer a retirement pension plan which retirees pay into and draw from in addition to their Social Security annuity, and that private sector employees who are not covered by company pension plans can provide for their own retirement through Keogh and Independent Retirement Annuity plans. In either case, income from pension plans would not affect the amount drawn from Social Security by an annuitant.)

Through the years there have been numerous proposals designed to protect the solvency of the Social Security fund. The early 1970's saw great concern that Social Security coffers would become depleted as the population paying into the fund decreased and ranks of retirees grew. In 1977, the House Ways and Means Committee proposed bringing Federal, State, and local government employees and employees of non-profit organizations under the Social Security system. (Congress, however, was not included in the proposal.) The House rejected the proposal. Instead, the Congress mandated the HEW study on whether it would be practical and desirable to extend Social Security coverage to groups covered in the Committee's original proposal.

Discussions over proposed changes are likely to continue for some time before a decision is made. The stakes are high. The HEW. study group estimated that making Social Security mandatory for all workers could reduce payroll taxes for those currently covered by $2 billion to $5 billion a year. The group added that as much might be saved without mandatory coverage if Congress eliminated the "windfall benefits" now possible. Such benefits occur because workers with low average lifetime earnings covered by Social Security are guaranteed weighted benefits, even though their major source of earnings was in a non-covered job. A Federal worker who retires at 53 and then meets minimum time requirements under Social Security automatically receives weighted Social Security benefits.

In sending the report to HEW Secretary Patricia Harris, Thomas Bartlett, a Boston attorney who chaired the study, said: "Those who are exempt from Social Security enjoy advantages that impose costs on the rest of the working population. In many cases, individuals in uncovered employment lose more than they gain from their exemption. . . . All things considered, the average uncovered worker would be as well off or better off if he or she participated in a more typical system in which Social Security and staff pension were combined." The report said that extension of Social Security coverage would be the most effective way to resolve the windfall issue and coverage gaps. As a possible option, the panel suggested extending coverage only to new employees or to a limited group of current employees—perhaps those who have worked less than 10 years or who are under age 45.

A combination "thrift plan" was another option proposed by the study panel. The coordinated Social Security and civil service reurement benefits under this program would be similar to those drawn now by employees under private sector pensions covered by Social Security as well. Under this plan, Federal employees would pay Social Security taxes and would also be covered by a pension plan to which they would not contribute. In addition, they could make contributions up to 6 percent of their salaries with the Government matching half of that amount. Under the thrift plan, employees with an average high-three salary of $20,000, retiring at age 55 with 30 years of service (and having paid in six percent), would receive additional thrift plan benefits of $4,400 a year for life; retiring at age 62, the employee would receive $5,200 annually. Survivors would get a lump sum payment of up to ten times the amount of the annual benefits, depending upon how much of the benefits had been drawn.

The report contends that such coordinated coverage would mean higher benefits for lower salaried employees and no reduction for higher salaried workers. New employees in higher grades would suffer a slight cut in benefits, however. It has been estimated that employees retiring at salaries of $25,000 or less would get slightly larger benefits under a coordinated system, while those with higher salaries would see reductions. By this estimate a 62-year-old federal employee, retiring at the $25,000 level after 40 years, would have an annuity of 71 percent of final pay. At the $10,000 level, the employee would get 78 percent of his final salary under the combined plan. At the $20,000 level, the annuity would be 73 percent of salary. Above the $30,000 level, the annuity would dip to 68 percent.

Nothing in the report suggests a merger between civil service retirement and Social Security trust funds. Nor should mandatory Social Security coverage be viewed as a method for bailing out the Social Security fund.

Still ahead are Congressional hearings on the study group's report. When the hearings begin their discussion of universal Social Security coverage, they will be taking on a subject that has been considered and rejected eight times since 1938.

Getting More Out of Word Processing

by Abby Rosenthal

When word processing equipment appeared on the market during the early 1960's, it was hailed as the key to increased office productivity. From 1969 to 1978 the Federal government purchased about $50 million and annually leased $67 million of word processing equipment. Too often the new equipment, haphazardly acquired and installed, failed to live up to its promise.

The effective integration of word processing technology into any organization takes care and foresight on the part of management. Even when the need for word processing equipment has been justified by a thorough cost/benefit analysis, managers may not make the best use of word processing capabilities. Recent studies call for improvement in three major areas of word processing management.

Project/Equipment Coordination

If word processors are part of your office equipment, it is important to understand, generally, how they work, what they can do, and how quickly they can do it. Observe your operators at work in various stages of document production. Compare word processing to ordinary typing and speed processes such as photo offset. Once you are familiar with the full spectrum of production processes, you will be able to select the one which best fits your project needs. Among the factors you should consider are speed, revision requirements, storage requirements, accuracy, document appearance, and cost.

According to most experts, word processing begins to pay off when 25% or more of a draft document needs to be changed. Lengthy reports, speeches, press releases and address lists, for example, might fall into this category. Word processing equipment also offers special advantages in that documents may be professionally formatted, easily stored, rapidly revised, and instantly recalled. Some word processing machines can insert addresses and salutations into a repeated text, thereby producing flawlessly personalized copies of the same letter.

On the other hand, short documents, where only one copy is needed, are most rapidly and cheaply produced on a self-correcting typewriter. Using word processing equipment for such documents is actually inefficient. Too many organizations fall into the trap of using word processing for all office typing.

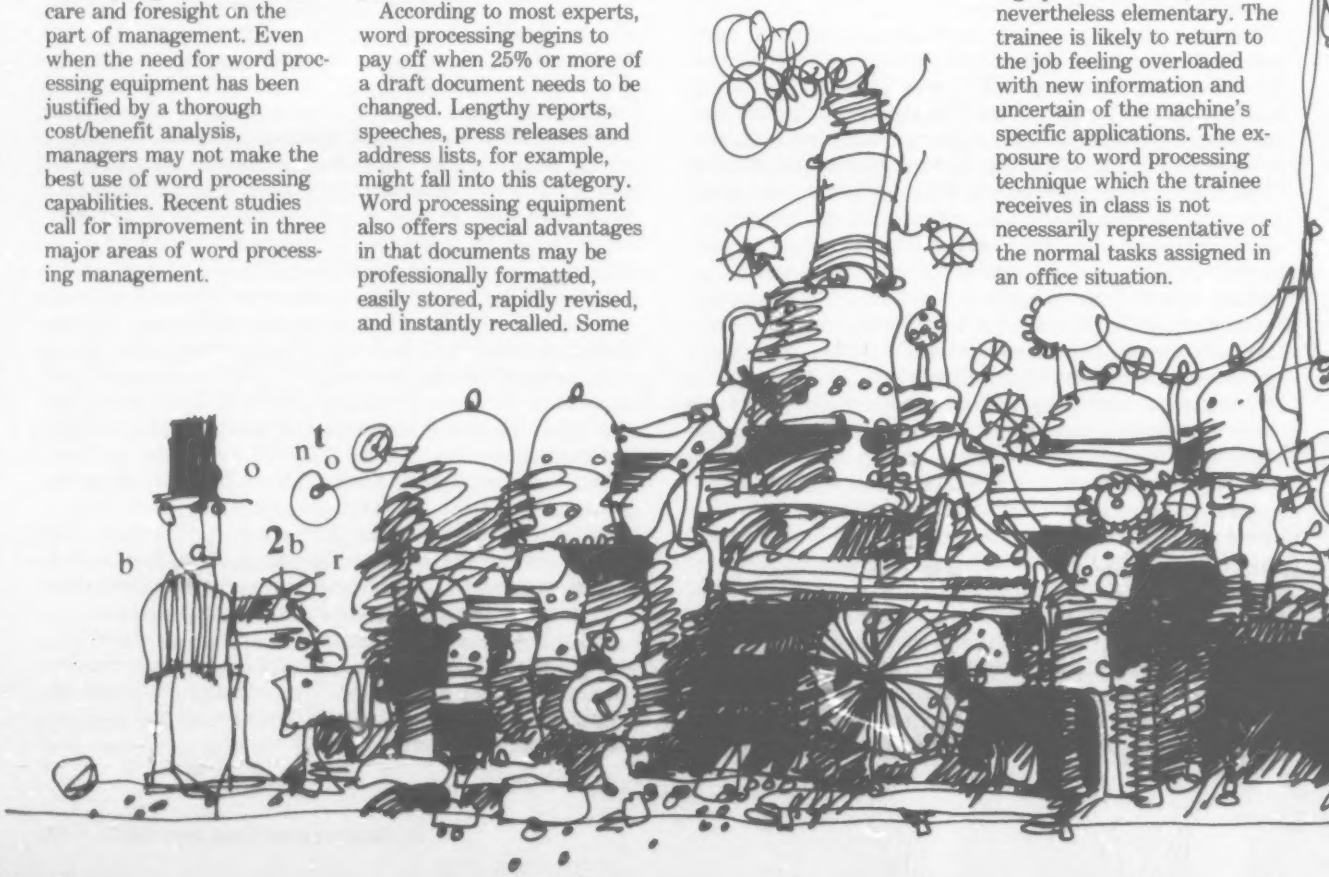
When a large job or a rush job comes your way, don't automatically turn to word processing. Consider the project requirements carefully and choose among *all* the production options at your disposal.

Operator Training

Too often word processing equipment is not used to full advantage because operators haven't received a proper follow-up to their initial training by the vendor of the machine.

Manufacturers of word processing equipment have the expertise and resources to create training environments which cannot be duplicated in a busy, relatively noisy office. As a result, vendor training is generally quite effective—as far as it goes. But it may not go as far as you think.

Most vendors supply up to about 15 hours of training in the basic systems operation of a particular word processing model. Such training is highly concentrated, but nevertheless elementary. The trainee is likely to return to the job feeling overloaded with new information and uncertain of the machine's specific applications. The exposure to word processing technique which the trainee receives in class is not necessarily representative of the normal tasks assigned in an office situation.



Vendor training is only the beginning of an on-the-job training period which will probably last several months until the operator hits his or her stride. During this period, managers can help operators consolidate their new skills.

The weeks immediately following training are the most crucial. Don't greet an operator fresh from training with a backlog of rush jobs which he or she isn't ready to tackle. Ease in. Be generous in allotting time for specific tasks. Keep the atmosphere relaxed. On the other hand, make sure that new word processing operators get the practice they need without delay. Don't distract them with too many unrelated tasks. Word processing operations mastered during intensive training are easily forgotten without prompt follow-up practice.

Check with your agency's personnel or training units to see whether they offer advanced or refresher training for operators. You might even consider a training course on word processing management for yourself. The Communications and Office Skills Training Center of the Office of Personnel Management offers several short courses on aspects of word processing. For more information, contact Joe L. Rubens, 308 Thomas Circle, 1121 Vermont Avenue, Washington, D.C. (FTS 632-6047).

Staff Morale

Word processing fiascos—and there have been many of them, even in well-run companies and organizations—are frequently personnel fiascos in disguise. Operators' morale and the conditions under which they work have a definite bearing on word processing productivity.

In the early days of word processing, it was common for managers to shift office typists and even personal secretaries into large centers devoted entirely to word processing. The results were often disastrous. Typically, job turnover soared, while productivity and morale plunged. The best operators were often the first to quit or transfer.

More research has been done on the efficient use of word processing equipment than on the equally important "people problem." This reflects the all too prevalent attitude that operators can be plugged into the system like interchangeable spare parts. Recently, however, the Working Conditions and Environment Department of the International Labour Office undertook a study which focused on operator attitudes. Researchers surveyed operators in large word processing centers, operators in smaller centers of no more than 6 employees, and secretaries with word processing equipment at their desks. They discovered that operators in large centers are the least happy with their work. Turnover in this group averaged 106% annually. Large center word processing operators complained vehemently about low status, lack of contact with supervisors, lack of positive feedback from word processing users, unfair negative feedback and not being consulted during organizational changes.

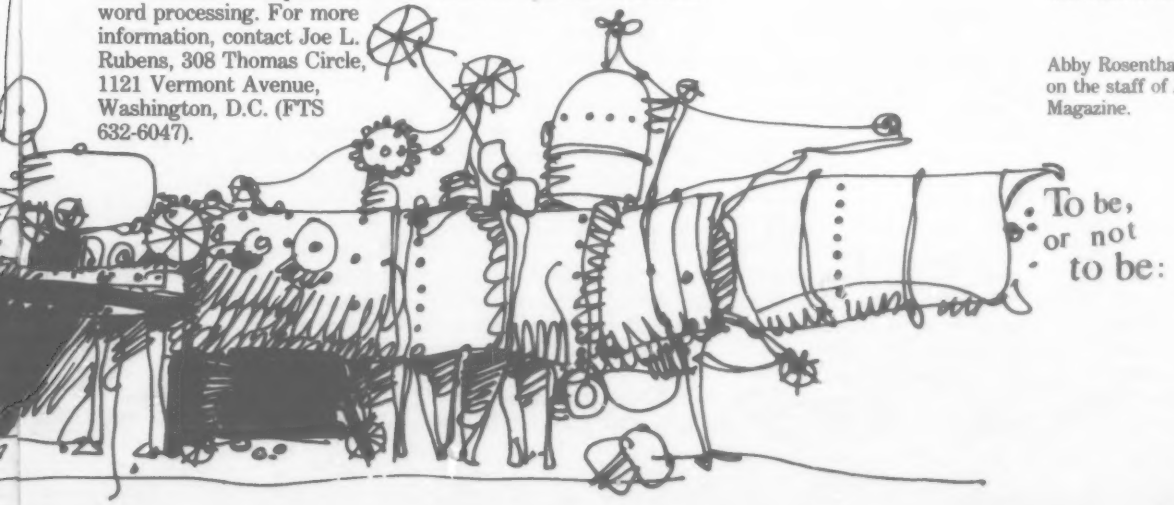
Although there is now some evidence that large word processing centers may not be as cost-efficient as once thought, the question of whether word processing equipment should be centralized or decentralized depends on a delicate balance of economic and organizational factors and cannot be resolved in the abstract. However, it is clear that word processing operators, due to their highly specialized function, require special attention from managers.

First and foremost, operators must be given a chance to talk to the people they work for. This may take a concerted effort if the operator is located in an isolated room or space. Supervisors should explain the nature and importance of assignments in terms of overall organization goals and solicit suggestions about how to accomplish word processing projects more effectively. If management wants to make changes in word processing routines, the operators should be informed ahead of time and allowed to express their opinions.

Feedback, especially positive feedback, is also extremely important. Make it prompt and personal. Criticism should be fully explained in terms of broad project requirements. Try to encourage operator self-criticism and even a degree of self-management.

Give some thought to your operators' work environment. Pleasant decor and decent lighting, acoustics and ventilation can make a world of difference to an operator's morale. And whenever possible, break down the physical barriers which separate word processing employees from the rest of the staff.

Abby Rosenthal is a writer/editor on the staff of *Management* Magazine.



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Management: From Zero to Confusion in Six Thousand Years

by Ira A. Penn

When you study physics you learn that a body at rest stays at rest unless acted upon by an external force. And sure enough, that's what bodies at rest do. When you study botany you learn that by slicing across a tree branch you can discover the xylem and the phloem. If you slice one, there they are. When you study geometry you learn that in a right triangle the square of the hypotenuse is equal to the sum of the squares of the other two sides. Try it, and it works every time.

When you study management there are also certain rules and theories to learn. The difference between management and the aforementioned sciences is that most of management's theories are invalid.

There is a little known maxim that explains the invalidity of management principles. It is Heller's Law: *The first myth of management is that it exists.* At first Heller's Law may appear to be spurious, even heretical. Not so. For Heller, in one sentence, has consolidated the thinking of such great minds as Parkinson, Peter, and even Murphy.

When Parkinson and Peter authored their works, they published them as popular books. Both men knew what they were doing— they were making money. But, had "Parkinson's Law" and "The Peter Principle" been published as management texts, the authors could have been to management what Copernicus was to astronomy. For the management "science" which is taught and practiced today is like the Ptolemaic system of the second century. It sounds good; it just happens to be wrong.

Conventional management theories are invalid because they are based on the premise that people are always rational and logical, and will do the right thing. That premise, to put it mildly, is erroneous. Anyone reading this article can probably think of several generally accepted management principles which have proven to be totally absurd. To name a few: supervisors should "develop" their subordinates; employee appraisals should be fair; and authority should equal responsibility. While such Utopian delusions are fine for philosophical discussions, they are somewhat less than practical to implement. This small problem, however, is overlooked when the ideas are introduced. Management textbooks are not prefaced with the caveat, "This is a work of fiction. Nothing that follows is real."

Management techniques and methodologies, like management principles, are presented and treated as gospel. There is probably no other profession where fads are so readily embraced. Each new brainstorm is grasped with whole-hearted enthusiasm, be it management by objective, team building, or zero based budgeting.

Most likely, the reason for the blind acceptance of each new technique is that managers are fervently seeking something that works. The principles they live by and the methods they use do not produce the results they desire. To solve such a problem, a reasonable procedure would be to step back and try to assess the situation objectively and make adjustments as necessary. Unfortunately, introspection and self-assessment are rarely a part of the management game plan. And, when you're going down for the third time, you grab whatever life preserver is floating by.

The occupation of management is generally held in high esteem. I have never been able to figure out why: by the stroke of a pen, anybody can become a manager. Although, on occasion, you will encounter one who believes he is ruling by divine right, the fact remains that managers are appointed, not anointed. It has always struck me as one of the great anomalies of our time that a profession for which entire universities have been created, about which billions of words have been written, and in which academic degrees of all levels can be obtained, can be entered with no prior training or knowledge about the subject. That fact, alone, should cause people to question whether management, with its lofty principles and exotic techniques, is not just another suit of the Emperor's new clothes.

The more you delve into the situation, the more bizarre it becomes. It seems that a management education is not only unnecessary for someone who wants to be a manager, but it can actually be a disadvantage. The person who has no management training may at least have an open mind. The student of management, however, has the awesome burden of having to unlearn the principles and theories he was taught, which prove to be fallacious in practice.

Managers today are like the British troops during the Revolution. Confusion and frustration are the reigning emotions. To cope with this continuing state of uncertainty, the management community has invented the myth of management superiority. The day a person becomes a manager he is introduced to the myth, and from that time on, he is bombarded with distortions that would make a used-car salesman blanch.

Friday's average employee is told on Monday that as a manager he has the wisdom of Solomon and the power of Samson. He becomes as invulnerable as Achilles and as undisputed a leader as Alexander the Great. Heavy stuff! It takes a strong mind to reject it; indeed most minds cannot. The jump from serfdom to knighthood is too great for rational analysis to take place. Few managers realize, therefore, that 1) they were lucky, or 2) they were, perhaps, the best apple of a very bad crop. Convinced by other managers that he is a cut above the rest, the new manager quickly accepts the myth of superiority. Although he is not sure why, he knows that somehow he is "special." Being special, of course, he can no longer act as he did when he was not special. The secretary he used to kid around with is now seen as an appendage to the typewriter. The employees he used to have coffee with now seem to spend too much time on breaks. The supervisor he used to deride as a fool is now defended as a misunderstood peer. Only Dr. Jekyl had a more radical transformation!

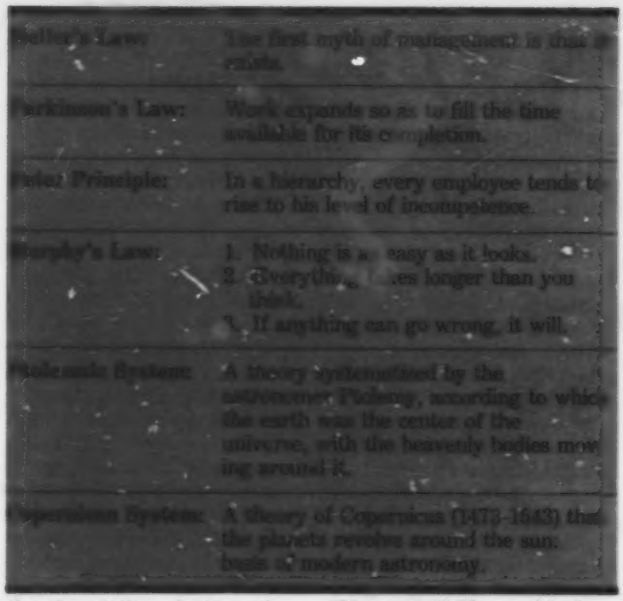
The superiority myth can make managers arrogant, condescending, contemptuous, disdainful, and presumptuous—characteristics that are exact opposites of traits deemed desirable by management textbooks. Yet the same manager who has precipitously established himself as a demigod will look you squarely in the eye and swear that he lives by all of management's principles.

Thus far, we have prin-

ciples based on erroneous assumptions; we have superfluous techniques developed to overcome problems caused by invalid principles; and we have a myth which has been created to comfort those who become disoriented attempting to follow the principles and use the techniques. Could we ask for more? Yes! We have yet to deal with the biggest fiasco of all: the fact that management has become its own reason for being.

No one would dream of an organization without leaders; even B. F. Skinner's visions include persons who plan, organize, and make decisions. The alternative is chaos. But realistically, how many managers are really planning or organizing anything? How many are making any kind of substantive decisions? And how many are merely minor functionaries? Far too many managers, especially first-line supervisors and those in mid-level positions, have duties like those of a sheepdog out on the range. All they're doing is running around to make sure that the sheep don't wander off somewhere and get lost.

Now that function needs to be carried out. Goodness knows the shepherd would be in a bad way without his sheepdog. But the dog is not elevated to the status of assistant shepherd. I have seen first-line managers making nearly $35,000 a year who have the responsibility for ensuring that their employees don't come in too late, don't leave too early, and don't spend too much time at lunch. And that's it! That's their job! Their position descriptions don't say that, but that's the way it is. I have seen middle-managers paid upwards of $40,000 a year for relaying messages from top managers to first-line managers. And that's it! That's their job! (Their position descriptions don't read that way, either.)


Parkinson's Law:
Work expands so as to fill the time available for its completion.
Peter Principle:
In a hierarchy, every employee tends to rise to his level of incompetence.
Murphy's Law:
1. Nothing is as easy as it looks.
2. Everything takes longer than you think.
3. If anything can go wrong, it will.
Ptolemaic System:
A theory systematized by the astronomer Ptolemy, according to which the earth was the center of the universe, with the heavenly bodies moving around it.
Copernican System:
A theory of Copernicus (1473-1543) that the planets revolve around the sun; basis of modern astronomy.

How can it happen that people making those salaries can be doing work that could be done by anyone who was not a hard-core unemployable? The answer is simple: it happens the same way a bank robbery happens when the robber uses a toy gun: the teller is too intimidated to ask any questions. The management fraternity has succeeded in building a facade so intimidating that most people never even think to look behind it to see what the supporting structure is like. No-job managers are there because management says they're supposed to be there. Management is the justification for managers. It is its own reason for being.

If I have dealt harshly with managers and management here, I do not apologize. It is necessary. As Plutarch wrote, "Medicine, to produce health, has to examine disease; and music, to create harmony, must investigate discord." There comes a point at which one must stand up and say, as Alice did to the Queen of Hearts, "Nonsense!" The world of management is a world where people hone their normally unnoticeable and blunt imperfections to a glistening sharp edge, all the while proclaiming that the imperfections are not there. We need organization, systematization, plans, procedures, and, most importantly, leadership. But we need these things to help us accomplish the ends we seek, not as ends themselves. When organizations exist to support managers instead of vice versa, and when the methods and techniques used to achieve goals become more important than the goals, failure is the only possible result. We are rapidly approaching that point. The management situation has gotten out of hand.

While there are no pat answers to the problems, I do not see them as unsolvable. With some basic changes in managerial philosophy, there can be hope for the future. First, pragmatism should be the underlying theme in all management study. Principles based on an idealistic concept of human nature are fine to contemplate, but they are irrelevant in the real world.

Second, the management community should stop the pretentiousness. Managers must accept the fact that there is nothing esoteric about what they do. Effective management results from applying common sense. The absence of mystery will not cause the function to be less important. On the contrary, common sense is in short supply; chicanery is not.

Third, managers should realize that methods and techniques are merely tools: they were developed by other persons, not handed down on Mount Sinai. When a tool doesn't work, (and sometimes it won't even when it's supposed to), another should be found.

Fourth, managers must abandon the concept of managerial superiority. The delusion that one has a "position" or a "station" is counterproductive: what a person has is a job. The manager has a job and the worker has a job. The only reason they are both employed is to get those jobs done.

Last, management must go on a diet. There are entirely too many managers in most organizations, and managerial fat slows down a workforce. It is demoralizing for workers to see figurehead or puppet managers who only exist to fill up the slots of an ill-conceived organization chart.

It has taken management thousands of years to evolve to its present state of confusion. And the situation may get worse before it gets better. Ultimately, however, things should improve: experience has shown that managers tend to act rationally . . . after all other possibilities have been exhausted.

Ira A. Penn is a senior management analyst in a Federal agency.

Manager's Reading Digest

Paralysis of Analysis

"Sound analysis is needed in any strategic plan," writes J. Quincy Hunsicker in the March 1980 issue of *Management Review*. "But conventional strategic planning approaches tend almost to substitute quantitative analysis for judgement and intuition."

Hunsicker is concerned that too great an emphasis on strategic planning and quantitative analysis may discourage managers from tackling problems creatively. Documenting his argument with examples from the business world, he points out that strategic planning is usually based on assumptions drawn from past experience and that these assumptions don't always hold true in a new situation. The manager who applies rigid strategic planning techniques without first reviewing the current situation for new trends and opportunities is guilty of a kind of tunnel vision. The results can be disastrous.

According to Hunsicker, every organization requires creative ideas from its managers. The trouble is that "the process of proposing a new idea, justifying it and defending it . . . is so intimidating that all but the most confident entrepreneurs are inclined to stick to less imaginative approaches that are easier to quantify and defend."

Hunsicker believes that in most cases quantitative analysis and strategic planning should be used to test, launch and document new ideas, rather than take the place of creative hunches, intuitions and seasoned judgements.

What Price Success?

Many people assume that the price up-and-coming managers pay for their professional standing is heavy in terms of personal and family happiness. But Fernando Bartolome and Paul A. Lee Evans, professors of organizational behavior at the European Institute of Business Administration, have examined the question more closely. In the March-April issue of the *Harvard Business Review*, Bartolome and Evans claim that managers can experience fulfilling private lives—*if* they are able to manage their careers to control negative emotional spillover into the private realm.

Spillover is what executives take home from the office, even when they're not carrying a brief case full of papers. Negative spillover usually shows up as fatigue or anxiety which quickly translates into withdrawn, aggressive or irritable behavior towards intimates.

Bartolome and Evans studied 2,000 male managers for nearly five years to see what caused spillover and how it might be controlled. The three main causes were identified as tension in a new job, lack of fit between the person and the job, and long-term career disappointments.

Individuals who cope well with these pressures—and therefore experience a minimum of negative spillover—use certain strategies to manage the emotional side of work. When settling into a new position, they realistically evaluate the stress involved and communicate their feelings and expectations to their families. The family can then pull together through hard times. The same managers are more likely to examine apparently attractive promotion opportunities for genuine personal job fit. When confronted with long-term career disappointments, they face their emotional reactions squarely and compensate for set-backs by either enriching their present job or developing new leisure activities.

It isn't easy, the authors believe, for managers to have the best of both the private and public worlds—but it can be done.

Appraising Poor Performance

Renewed government and private sector interest in performance appraisal has so far focused on improving appraisal *systems*. No one disputes the importance of this effort—but what about the human factor, the actual judgement that managers pass on subordinates?

In "Supervisors' Responses to Subordinate Poor Performance" (*Organizational Behavior and Human Performance*, February 1980), Terrence R. Mitchell and Robert E. Wood explore some of the tendencies managers exhibit when evaluating employees. Their research indicates that in attributing poor performance to either internal (i.e., the subordinate's lack of ability or effort) or external (beyond the subordinate's control) factors, supervisors are heavily influenced by both the subordinate's past work history and the seriousness of the consequences of poor performance. The better the employee's work record, the more likely the supervisor is to attribute failure to external causes. The more severe the consequences of poor performance, the more likely the supervisor is to hold the employee personally responsible and take appropriate punitive action. Mitchell and Wood also note that in general supervisors tend to blame individuals, rather than external factors, for poor performance.

The authors believe their data have practical implications for management. For one, they suggest that managers guard against over-attributing subordinates' behavior to internal causes. Second, they warn against being excessively influenced by the seriousness of the outcome of poor performance.

The authors' analysis suggests that when the outcome for poor performance is not serious, the supervisor is more likely to overlook the problem. This strategy can have poor results and is not an effective means of feedback. The conclusion: "To change behavior we must focus on the behavior, . . . not the outcome."

Who Will Manage Information?

Two groups of professionals are vying for the controlling piece of the information management pie, according to Dr. Harold T. Smith (*Management World*, March 1980). As offices become more automated, administrative managers face a challenge from technical professionals—specialists in word processing, records management, data processing, telecommunications, etc.—who have traditionally reported to them.

Dr. Smith believes that administrative managers are in a better position than specialists to supervise the automated offices of the future. He claims that administrative managers are not only "able to understand technology from a broad, conceptual point of view," but also "understand the people in the office . . . and know how to relate to and communicate with senior management."

One thing is certain: information managers of the future will have their work cut out for them. The efficient processing of information will be only a part of their job, as they turn more of their attention to anticipating organizational needs, promoting the use of estimates, and selecting and controlling information resources.

Please Fence Me In!

Open offices and classrooms have had their heyday—with mixed results. Proponents of open work space arrangements hypothesized that workers assigned repetitious or monotonous tasks—clerk/typists, for example—would appreciate the accessibility to coworkers which open offices provide.

This hypothesis has been undermined by a recent study entitled "Privacy at Work: Architectural Correlates of Job Satisfaction and Job Performance," which appeared in the March 1980 *Academy of Management Journal*. Eric Sundstrom, Robert E. Burt, and Douglas Kamp of the University of Tennessee at Knoxville found that employees in general, even those with the least complex jobs, not only prefer privacy in their work space, but actually perform better as well. They suggest that existing open plan offices would profit from "more provisions for privacy . . . such as room dividers, sound-absorbent partitions, and accoustically treated ceilings or walls."

What about the increased social contact which open space plans are supposed to offer? Sundstrom, Burt and Kamp claim that people value privacy over accessibility, no matter what kind of work they do. In fact, study participants liked spaces which were enclosed and virtually inaccessible, perhaps because they were able to spend more time at work and less time keeping up appearances. Not surprisingly, workers especially disliked working in full view of their supervisors.

The authors conclude that while architectural privacy is associated with decreased levels of noise, distraction, and crowding, it seems to have practically no correlation with social contact. Instead, "people actively maintain what for them is a desirable level of social contact." In other words, they visit.

You can judge a leader by the size of the problems he tackles —people nearly always pick a problem their own size, and ignore or leave to others the bigger or smaller ones.
Anthony Jay

Under carefully controlled conditions, organisms behave as they damn well please.
The Harvard Law of Animal Behavior

Removal of Non-Career Employees

The Supreme Court recently decided a case involving the removal of certain New York county employees based on their partisan political affiliation. Plaintiffs were assistant public defenders in Rockland County, New York, who were appointed by a Republican Public Defender and terminated upon the election of a Democrat as Public Defender. The Court found that these employees had been terminated *solely* because of their political beliefs.

In an earlier decision [*Elrod v. Burns*], the Supreme Court held that the First Amendment prohibits the discharge of non-confidential or non-policy-determining public employees based on political beliefs. Here, the Court found nothing in the duties of an assistant public defender which would justify conditioning employment on political affiliation. Rather, the Court cited the District Court's finding that assistant public defenders had "very limited, if any, responsibility" for managing the Public Defender's office or for implementing policy. Their primary responsibility was found to be the conduct of specific cases on behalf of their clients. According to the court, the proper standard to apply is whether the hiring authority can demonstrate that party affiliation is an appropriate requirement for the effective performance of the public office involved.

Although the *Branti* decision appears to have broadened *Elrod* by holding that employees in policy-determining or confidential positions cannot be terminated for political affiliation without a showing that party affiliation is essential to the performance of the job, it has not affected the right of a public employer to terminate confidential or policy-determining relationships for reasons other than political beliefs.

Termination due to lack of confidence in a predecessor's personal assistant does not penalize the employee for personal beliefs and therefore does not raise a constitutional issue. It is only when an employee suffers an adverse effect *solely* due to his or her political beliefs that a First Amendment issue is raised. As the Court noted, "to the extent that petitioner lacks confidence in the assistants he has inherited from the prior administration, he is, of course, free to discharge them."

Schedule C Positions

The Supreme Court's decision does not appear to affect Federal Schedule C positions which are correctly classified as "confidential or policy-determining." Employees in these jobs are not hired through competitive staffing and are not entitled to the statutory protections afforded to career employees or preference eligibles. Moreover, discharging these employees because of a lack of confidence in their ability to carry out policy directives would not give rise to a constitutional claim. Accordingly, where this confidential or policy-making relationship is destroyed these employees continue to be terminable at will.

A recent decision of the Court of Appeals for the District of Columbia Circuit in *Committee to Protect the First Amendment Rights of Employees of the Department of Agriculture* v. *Bergland* clearly supports this position. In *Committee*, the circuit court held that plaintiffs, despite being designated by the Civil Service Commission as Schedule A appointees, in reality held policy-determining positions and were therefore terminable at the will of the appointing authority. Although the court found that the positions were "policy-determining" and that the termination of the incumbents did not raise any constitutional issues, it also ruled that the incumbents were not, in fact, dismissed for partisan political reasons but rather to "enhance policy formulation and execution."

Non-Career SES Appointments

A slightly different question arises in considering non-career Senior Executive Service appointments. In these appointments the nature of the job does not determine the status of the employee. Rather the status rests with the individual and depends on the appointment procedures. Thus, non-career SES employees may hold any general position within SES.

In using a non-career appointment authority to fill an SES position the employer is determining that the position is by its very nature policy-making or confidential. Therefore there would be no constitutional bar to removing a non-career person in this type of position because of a lack of confidence or change in policy. The fact that Congress has chosen to provide some statutory protection to employees who are competitively selected for these positions should not affect the constitutionality of the removal of non-career employees. Further, if political affiliation is a valid criterion for continued employment for a specified job, an individual could be removed solely on the basis of political affiliation under *Branti*.

Branti v. *Finkel*, No. 78-1654 (March 31, 1980).

Substantial Evidence Standard Applies to Review of Within-Grade Decisions.

The Merit Systems Protection Board recently issued a decision addressing three issues of significant importance to government managers. The Board held that: 1) an agency decision denying a within-grade increase will be reviewed under the substantial evidence standard, rather than the higher preponderance of the evidence standard; 2) an agency decision will not be reversed because of potential error unless the error is raised by the employee and it is established that the error was likely to have affected the outcome of the case; and 3) the presiding official must review the entire record, including information developed at a hearing, in making his or her decision.

The facts arose from the following factual setting. The appellant had been denied a within-grade increase by his employing agency. He contested the negative determination through agency procedures, including reconsideration, without success and then appealed to an MSPB Field Office, where a hearing was held. The presiding official reversed the agency decision finding two instances of harmful procedural error. The first was that the agency had issued its negative determination too far in advance of the end of the waiting period (18 days before the end of the 104-week waiting period). The second error was the reconsideration official's failure to summarize the appellant's statements during his oral reply. The presiding official also found that the agency had not supported its negative determination by a "preponderance of the evidence."

The MSPB reopened this case and OPM intervened to address the questions of the proper burden of proof in within-grade cases and the scope of the "harmful error" doctrine. The first issue addressed by the Board was the proper burden of proof which an agency must meet to sustain its denial of a within-grade increase. The Civil Service Reform Act provides that actions based on unacceptable performance described in s4303 must be supported by substantial evidence. In all other cases, the preponderance of the evidence standard is applied. OPM argued that the lower substantial evidence standard should apply since within-grade determinations are clearly performance-based actions. Moreover, OPM believed it would be illogical to hold agencies to a higher standard of proof for within-grade decisions than for demotions or separations based on unacceptable performance.

The Board accepted this argument even though within-grade decisions are not made under s4303. Thus, the Board noted that this construction was more in harmony with the design and purpose of the statute since it would be anomalous to apply a higher burden of proof to the less severe action of denying a within-grade increase. The Board also held that an agency need not have an approved performance appraisal system for the substantial evidence standard to apply, as had been required in *Wells* v. *Harris*. The Board recognized that such a requirement would have the effect of applying the preponderance standard until an agency adopted an approved performance appraisal system and then reducing the standard to substantial evidence.

In discussing the meaning of the substantial evidence standard, the Board specifically stated that this test precludes a presiding official from substituting his or her own judgment for that of the agency. The presiding official must decide only whether, in light of all the relevant evidence, a reasonable person could agree with the agency's decision. Based on this portion of the decision, it is clear the Board will function as an administrative tribunal, rather than a "second-level manager."

The second issue before the Board was the meaning of the "harmful error" doctrine. According to the Board, a procedural error will result in reversal only where it is likely to affect the outcome of the case. Factors to consider in deciding whether a harmful error has occurred are: the closeness of the agency's decision, the nature of the issue affected by the error, and any step taken by the agency to mitigate the effect of the error. In this case, the Board found no showing that the procedural error identified by the presiding official affected the outcome of the case. Thus, it was sheer speculation that the issuance of the decision 18 days before the end of the waiting period had any effect on the agency's determination. Moreover, even if the agency's failure to prepare a written summary of the appellant's oral response could be considered an error, it was cured by the appellant's opportunity to present statements at the hearing.

The Board also held that ordinarily the appellant must allege the existence of a harmful procedural error. A presiding official could appropriately address an error on his or her own initiative only where the employee was unsophisticated and not represented by Counsel and where the error affects basic procedural rights and must be considered to avoid a manifest injustice.

Finally, the Board held that the presiding official should not confine his or her review to the record developed on the agency level. Rather, the entire record before the Board, including relevant evidence presented at the hearing, must be considered to determine if the agency has sustained its burden. This is particularly important since, as this decision illustrates, an error in the agency proceeding may be cured or rendered harmless at the hearing stage. *Parker* v. *Defense Logistics Agency*, MSPB Order No. 80-47 (February 19, 1980).

Short Takes

Coming Attraction: FTE/WY

Beginning in fiscal year 1982, government agencies will switch to the full-time equivalent work year (FTE/WY) method of personnel ceiling accounting, which has recently been tested by 5 agencies with positive results.

FTE/WY will replace the numerical end of year personnel ceilings which have been used to control the size of the Federal workforce since the 1940's. In some agencies, end of year personnel ceilings have been viewed as a once-a-year limitation which could be met by separating temporary employees and laying off part-time workers during the last week of the fiscal year.

The new system, will assign to each agency two employment ceilings, one based on the maximum cumulative number of hours for full-time permanent employees and the other on the maximum cumulative number of hours for all employees subject to ceilings. Regular hours worked in the agency during a given year are deducted from one of these accounts.

FTE/WY grew out of a 1977 Presidential directive calling for a new ceiling system which would break down barriers that inhibit the employment of part-timers and discourage end of year lay-offs and severances. Agencies which have been testing FTE/WY have already substantially increased the number of permanent part-timers within their ranks.

New Federal Campaign Guidelines

New rules were recently issued by the Office of Personnel Management to govern the Combined Federal Campaign, the Federal government's annual charity drive, which last year raised $82 million in contributions.

In drawing up the new fundraising guidelines, OPM considered more than 3,000 comments from national and local voluntary agencies and groups, Federal Executive Boards, Federal employees, Federal employee unions and private citizens, as well as recommendations from the Subcommittee on Civil Service of the House Post Office and Civil Service Committee.

The guidelines include the following changes:

- *Prohibition of coercive fundraising practices, such as solicitation of employees by their supervisors; setting 100% participation goals; inappropriate uses of contributors lists, keeping non-contributors lists, and establishing dollar goals or quotas.*
- *Creation of a new National Services Agencies grouping to include national voluntary organizations that have a domestic welfare function. (Other groupings are National Health Agencies, International Service Agencies, Red Cross, and United Way.)*
- *Revision of eligibility criteria for national voluntary organizations to permit broader participation in CFC, including relaxing the 25% limitation on administrative and fundraising expenses in such special cases as newly established agencies.*
- *Expansion of participation by voluntary organizations at the local level by allowing local charities that are not United Way members to apply to the local Federal coordinating group.*
- *Revision of the campaign funds distribution formula so that designated gifts will be channeled to the specified agency and undesignated gifts will be divided among major participating voluntary groups in the same proportion as each group's average share of undesignated contributions over the last five campaigns.*
- *Provision of more detailed information to employees about participating charities and CFC past and present procedure.*
- *Mandatory employee union representatives on local Federal Coordinating Committees.*

Women, Work and Heart Disease

Women who work are *not* more susceptible to heart disease than housewives, according to a study conducted by the National Heart, Lung and Blood Institute of the National Institutes of Health.

Researchers had expected that the incidence of coronary heart disease in working women would approach that in men, since both groups were subject to the same on-the-job pressures. Men have traditionally suffered from a higher rate of heart disease than women, and this was thought to be the result of job stress.

The NIH study involved 352 housewives, 387 working women, and 580 working men. Although working women in general reported more daily stress and marital dissatisfaction than either housewives or men, the lowest rate of coronary heart disease was found among single working women. Certain work conditions, however, can substantially increase the risk a woman runs. Women in clerical occupations had nearly double the incidence of coronary heart disease that housewives had, particularly if they were experiencing hostility, lack of job mobility, or a non-supportive boss. Rates were also higher for working women who were or ever had been married, and higher still for women with three or more children. A woman in a clerical position who is married to a blue collar worker and who has children runs a 21.3% greater risk of developing coronary heart disease than other women.

Union Representation Grows

The number of Federal employees represented by unions, exclusive of the Postal Service, reached an all-time high of 1,238,669 last year.

The figure represents 60 percent of the workforce in the year ending November 30, 1979, up from 58 percent in 1977.

The number of employees covered by negotiated agreements also increased last year to 1,141,504, a jump of 21,178 from the previous year.

More Managers Hit the Books

Just because you're a 40 year old mid-career executive doesn't mean your school days are over. According to the *Wall Street Journal*, nearly 500,000 American managers a year are now taking formal management education courses to beef up their chances for promotion in an increasingly competitive job market. And more often than not, they do so with the full blessing—or even with a push—from their companies. In fact, a growing number of companies are developing in-house management training courses of their own.

Although some critics claim that management training courses cost too much and accomplish too little, the response from students is generally positive. A recent survey of participants in courses sponsored by the American Management Association reveals that 64% rated the courses as "excellent" and 31% as "good."

However, "Let the buyer beware" is still a good maxim to follow when looking into management training opportunities.

The trend to formal training in the private sector parallels the Federal government's recent efforts to incorporate formal training requirements into the executive training feeder program for the Senior Executive Service.

Productivity: A Dissenting View

To many observers, decreasing productivity is the most prominent specter haunting the American economy today. Some analysts blame declining productivity rates on changes in worker attitudes, the rising number of so-called inexperienced workers entering the labor force under government equal opportunity regulations, the diversion of industry resources into expensive anti-pollution and safety devices, and the rising cost of petroleum.

Michael Harrington, national chairman of the Democratic Socialist Organizing Committee and well-known commentator on American economic and political policy, thinks we should reexamine our assumptions about productivity. In the *New York Times* (March 21, 1980), Harrington suggests that a major reason for rapid increases in productivity in the past was the transfer of labor from agriculture to industry. "The end of that historic trend," he writes, "accounts for more of the decline in productivity than costs imposed by the Organization of Petroleum Exporting Countries."

Harrington doesn't subscribe to the theory that inexperienced workers, many of them women and members of minorities, are depressing national productivity. He believes that in most cases the job "determines the productivity of the worker, not the other way around." He is also critical of a value system which pits worker or environmental safety against productivity. Above all, he is concerned that the conventional wisdom about productivity isn't wisdom at all, but will instead hamper us in our efforts to stimulate our flagging economy.

Visiting Administrators Program

The American Council on Education, with the cooperation of the U.S. Office of Education and the Office of Personnel Management, has announced a new exchange program for senior managers from agencies and from colleges and universities. The program has as its goal the improvement of understanding and cooperation between government and higher education.

Participants in the Visiting Administrators Program are assigned for 3-month periods to management positions either on campuses across the nation or in Federal agencies. This year's participants from higher education have assignments in the Department of Labor, the Department of Health, Education and Welfare, and the National Aeronautics and Space Administration, with responsibilities ranging from program review to policy analysis. Federal participants have been assigned to Colorado State College, where they are involved in long-range planning, personnel system review and program review.

Federal employees at the GS-15 level and above are eligible for this program. Agencies may nominate one of their administrators, volunteer to receive one, or both. Information on next year's program can be secured from Dr. John B. Bennett at the American Council on Education, One Dupont Circle, Washington, D.C. 20036.

GAO Gives OPM the OK

OPM has made good progress in the first year of Civil Service reform, according to Comptroller General Elmer T. Staats in a recent General Accounting Office *Report to the Congress.* OPM was praised for issuing guidelines and regulations on major reforms, establishing extensive education and information programs, developing evaluation methods to measure future progress, and promoting productivity and better management throughout the Federal government.

Because Civil Service reform is only a year old, GAO declined to make specific recommendations at this time, but did point to several areas of concern. Among these was pay compression for members of the Senior Executive Service, which both GAO and OPM fear may undermine incentives to join the SES.

There is some disagreement between OPM and GAO on the issue of decentralization of personnel management authority. The GAO report implied that OPM should be more directly involved in the administration of such areas as grade and pay retention. But, according to OPM Director Alan K. Campbell, "It is OPM's philosophy that a clear distinction must be made between our legitimate role to implement and enforce civil service laws and regulations and the responsibility of Federal Departments and agencies to manage their own programs and employees." Campbell points out that the clear intent of the Civil Service Reform Act is to encourage decentralization of personnel management authority to as close to the operating managerial level as is practicable.

GAO also expressed concern about possible lack of selectivity in agency early retirement authorizations and lack of agency progress in complying with OPM's Equal Opportunity Recruitment regulations. Furthermore, the report questioned whether the time frame established by the Civil Service Reform Act for implementing performance appraisal and merit pay systems was adequate for full development and testing.

Status and Staff Cuts

Some Federal managers hesitate to make needed reductions in the number of employees they supervise for fear that their own positions will be downgraded as a result.

According to Jule M. Sugarman, OPM Deputy Director, such fears are groundless. In a recent memo and accompanying FPM bulletin addressed to assistant secretaries for administration, Sugarman notes that the size of the work force supervised is only one of many factors used in classifying supervisory positions. Consideration must also be given to the complexity and scope of supervisory duties, the supervisor's level of responsibility, and the nature and difficulty of the work supervised.

The ultimate reassurance: Section 5106, Title V of the U.S. Code specifically prohibits the classification of a supervisory position based solely on the size of the organizational unit.

Legislation

Several legislative proposals of interest to Federal employees are pending before the Congress.

Life Insurance Improvements

A revised proposal to make improvements in the Federal Employees Group Life Insurance Program has been sent to the Congress by the Office of Personnel Management. Like an earlier proposal (H. R. 3448), the new bill will redesign the benefit structure to (1) authorize two new employee-pay-all options providing additional life insurance on employees and flat amounts of life insurance on family members; (2) modify the schedule of regular benefits to afford greater protection to young employees; and (3) require that insured employees continue paying premiums for unreduced regular coverage until age 65.

COLA Annualization

The Congress was expected to act, by late June, on a proposal to change cost-of-living adjustments in the civil service retirement system. The proposed change would require adjustments annually rather than on the current twice-yearly schedule. OPM estimates savings of $640.4 million will result from passage of the proposal, which would remove the advantages of retiring just before a new cost of living increase goes into effect. The proposal had widespread support, and both House and Senate budget committees had recommended passage.

Experts and Consultants

Today there are over 60 permanent statutory authorities for individual agencies to use experts and consultants while other restrictions are added each year in appropriation acts. Some permit renewal of appointments; others do not. Daily pay rates vary, ranging from some as low as $50 to a few above the GS-18 rate. A current proposal would clarify the law by making consultant services solely a personnel appointing authority and eliminating any connection with procurement and contracting; by removing outdated pay rates for certain agencies and occupations; and by adding definitions of "experts" and "consultants" for clarification.

Compensation

Appearing in Atlanta before the House Subcommittee on Compensation and Employee Benefits at the first field hearing on pay reform, Director Alan K. Campbell reiterated OPM's support for H. R. 4477, the Federal Employees Compensation Reform Act. "The purpose of H. R. 4477 is to strengthen the principle that the compensation of Federal employees should be comparable to the compensation received by non-Federal workers in similar jobs," Campbell testified. The bill would accomplish this by: broadening the principle of comparability to encompass both pay and benefits; including State and local governments in surveys on which Federal compensation is based; compensating white collar employees through a system reflecting local pay differences; and amending Federal blue collar compensation practices to make them consistent with local prevailing rates and practices.

Retirement Claims

In a separate hearing of the House Subcommittee on Compensation and Employee Benefits, OPM Associate Director for Compensation Gary Nelson described progress made in lessening delays in processing annuity claims under the civil service retirement system. "The problems we now encounter reflect long-standing and deep-rooted deficiencies in our approach to managing and processing retirement workloads," Nelson reported. "Occasional periods of high backlogs and accompanying processing delays have plagued this program for years and, while it is essential that we deal with those situations when they arise, it is equally important that we attack the underlying causes that bring us these periodic crises . . . Our present actions both respond to the immediate problem and set us on the road to a well-reasoned, long-term strategy to resolve some fundamental problems."

Labor/Management

The House Subcommittee on Civil Service recently held hearings on implementation of Title VII, the labor—management relations provisions of the Civil Service Reform Act. Citing the progress made in implementing Title VII, OPM Director Campbell noted that "Unions and Federal Agencies have opened a productive, continuing dialogue on issues of mutual concern."

"At the same time," he continued, "the third-party machinery established under CSRA to administer Title VII has been implemented, providing a credible forum for the parties to use when they cannot resolve their differences bilaterally." The labor-management testimony came in the second of a series of general oversight hearings on implementing the Civil Service Reform Act. The first hearings addressed the effectiveness of and protections for whistle blowers. Another series was conducted to focus on performance appraisal systems.

Information on legislation of interest to managers and supervisors is prepared by the Office of Congressional Relations, OPM.

Technician or Manager?

Louis B. Lundborg

Q. What can a middle manager do to raise his chances of advancing to a high position (e.g., plant manager) when upper management puts excessive value on administrative ability, overlooking the need for technical competence? Or am I wasting my time even thinking about it? E.A.J.

A. You are not wasting your time if you *really* think about it—and then do something about it. The first question for you to think through is whether your upper-management people are not right in putting a high value on administrative and executive ability when they are considering candidates for higher managerial jobs. They know that the job of the manager is to manage—not just to do things himself, but to get things done. That means getting things done through other people.

Your top people may appreciate technical competence more than you realize, but they don't confuse it with managerial competence, which is a different animal. The same person may happen to have both, and certainly the technician can learn to improve his managerial skills if he has a genuine interest in doing so. If he hasn't, it could be a disservice to him as well as to the company to promote him to a managerial position *only* as a reward for his technical contributions. A lot of what we ascribe to the Peter Principle results from that kind of rewarding.

The next question you should ask yourself is whether you have ever shown managerial ability, and if not, whether you are willing to do what is necessary to acquire it. Managing is a learned skill. Some have a more natural aptitude and learn more easily than others, but everyone can improve his skills by effort and application.

While you are learning you will need to factor in another ingredient that is one of the key differences between a technician and a manager: perspective. The very nature of the technician's job usually demands that he focus on one problem at a time, and even one small piece of the problem. He is dealing with one piece of the jigsaw puzzle. The manager's job requires him to be constantly aware of all the pieces of the puzzle—to see that they all fit together at the right time and in the right sequence. Both of these are valuable and essential functions in a company's operation; they just involve a different perspective.

Again, there is nothing about the managerial prespective that cannot be learned. But you first need to ask yourself if your years as a technical expert have not developed such a habit of using a peep-sight focus on technical details that you will have a difficult time, at first, maintaining your peripheral vision to see things whole.

Ask yourself if you really want to make the change. Many people who are called managers, and should be spending 90% of their time on management work, just won't let go of the technical work. They feel more comfortable doing the familiar technical job, and hands-on work is often more fun. So they make all kinds of excuses—the pressure of deadlines, a shortage of experienced personnel—for not delegating the technical work as completely as they should.

It is a universal enough tendency that Louis A. Allen, consultant and lecturer on management development, has coined "The Principle of Technical Priority" to explain why managers often find themselves buried under work other people should be doing. His principle provides that "When called upon to perform both management work and technical work during the same period, managers tend to give priority to technical work."

Perhaps your top-management people have observed you yielding to that temptation. If you want to move out of the technician's into the manager's role, you must reorient, regroove and retrain yourself. You can start right where you are, because I gather that you are a manager of a group of technicians. Let your senior management people see you *managing* members of your group—developing *their* skills, getting the most and best work out of *them*—instead of seeing you demonstrating your own "technical competence."

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State & Local Notes

State Update

Arizona: The Governor has formed a blue-ribbon Commission on Merit System Reform to improve the state personnel management system. Under investigation: organization and use of personnel resources, conflicts between statutes and personnel regulations, authorization and administration of "exempt" positions, performance evaluation and compensation, compliance with Federal standards and problem solving procedure . . . ***Arkansas:*** The Executive Committee of the Personnel Management Improvement Task Force has recommended the creation of a State Personnel Board to assume personnel management functions now divided among the State Department of Finance and Administration, the Legislative Personnel Committee, and the Arkansas Merit System Council . . . ***California:*** The State Personnel Board will develop a comprehensive employee appraisal system. As recommended by the "Little Hoover" Commission, the Governor has proposed a new State agency, the Office of Personnel Administration, consolidating personnel management duties now divided among six state agencies . . . ***Florida:*** the Senior Management Advisory Committee has drafted a report recommending establishment of a Senior Management Group (SMG) comparable to the Federal Senior Executive Service. The draft report suggests limiting SMG to "exempt" managerial/executive positions, providing augmented pay and benefit opportunities to SMG members, and basing performance appraisals on success in achieving agency goals . . . ***Georgia:*** This year's legislative package is expected to include proposals for establishing a Career Executive Service. The State is also pilot testing a performance appraisal system based on performance of critical job elements . . . ***Kentucky:*** The State Department of Personnel has prepared video tape examinations in four job classes for hearing impaired applicants . . . ***Louisiana:*** The Department of State Civil Service has established a Management Intern Program allowing agencies to appoint Master's degree graduates in management, business administration and public administration to positions designed to use their special skills. Also, under a new Senior Executive Exchange Program, members of the State career (classified) service can take leave without pay to accept appointments in the unclassified service . . . ***Michigan:*** The State is considering the establishment of a Classified Executive Service (CES) limited to managers who have impact on policy. High mobility and limited appointment tenure would be balanced by career development opportunities and greater compensation . . . ***Mississippi:*** The Governor has replaced the State Classification Commission with a State Personnel Board, creating Mississippi's first statewide personnel system . . . ***Nevada:*** The University of Reno will assess training needs for executives and managers in State service with a new curriculum to be based on results . . . ***New York:*** In his "State of the State" message, the Governor outlined an omnibus Civil Service Reform bill to be submitted to the State legislature. Included are reform of certification procedures, the creation of a "career executive service," and the merging of the Office of Employee Relations with the Department of Civil Service to create a Department of Personnel Services . . . ***Oregon:*** New State legislation 1) protects whistleblowers from disciplinary action or separation; 2) delegates a variety of personnel functions (recruitment, selection, promotion, training, and classification, etc.) from the Personnel Division to operating agencies, subject to post-audit review; 3) creates a Division of Labor Relations; and 4) removes all State agency employees in certified or recognized bargaining units from merit system coverage, except for recruitment and selection for initial appointment to State service . . . ***South Carolina:*** The State is developing a job-related performance appraisal system. . . . ***Tennessee:*** The State is overhauling its employee performance evaluation system. The goal: to enhance employee productivity and job satisfaction . . . ***Utah:*** The Governor has proposed a new State government pay system. Salary ranges would match the ranges for comparable positions in private industry, with "fair market value" set at the mid-point of the salary range. Increases above "fair market value" would be for meritorious service . . . ***Washington:*** Legislators have passed a career executive program intended to attract and retain highly qualified executives, provide career development opportunities for outstanding employees, and provide for mobility of employees among State agencies.

Local Update

Contra Costa County, CA: A Civil Service Reform Task Force is investigating reform of the county civil service system. Recent recommendation: incorporation of several features of the Federal Civil Service Reform Act, including separation of personnel management functions from "watchdog" and employee appeals functions . . . ***Dallas, TX:*** After losing $4.7 million in 1978 through absenteeism, an experimental productivity program offers employees three days off with pay for a year of perfect attendance. Employees who miss one day a year get two days off, and those who miss two days a year get one day off. The program will be evaluated after a year's trial . . . ***Greensboro, NC:*** The city's merit pay system bases advancement through pay range on performance only. A comprehensive annual pay survey and periodic limited surveys will ensure that pay raises are competitive . . . ***Omaha, NB:*** The Mayor's "blue ribbon" task force of community private industry leaders will review current state personnel regulations . . . ***San Francisco, CA:*** The City and County government and Local 400 of the Service Employees International Union, AFL-CIO, will establish joint labor-management committees to change work organization and procedures.

State and Local Notes is prepared by William A. Chadwick, Intergovernmental Personnel Programs, OPM.

After/Words

THE NO NEWS DEPARTMENT

Note: Good news is no news. The day-to-day accomplishments of government simply going about its business of serving the people are rarely heard: scandals, mismanagement and bungling make much more interesting copy. The No News Department will report the unexceptional good news of achievement in government. We invite your contributions.

Industrial waste and pollution control, product design safety standards, and workplace safety programs admittedly involve costs to industry which are passed on to the consumer. But the long-range concern is whether we receive enough benefits, monetary and otherwise, from regulation to justify the expense.

The Center for Policy Alternatives at the Massachusetts Institute of Technology has prepared a report for the Senate Committee on Governmental Affairs which characterizes the benefits of Federal environmental, health and safety regulations as "substantial" and, wherever possible, estimates savings to the public in dollars and cents. The monetary savings are impressive. However, they do not even begin to reflect the value of benefits that can't be measured: the preservation of human life, health, and the overall well-being of the American people.

Thanks to Federal regulation of air and water, this country enjoyed savings estimated in the range of $7.5 to $68 billion per year. These include reduced mortality from respiratory and water-carried diseases, reduced health costs, increased property values, and increased recreational use of land and waterways. In New Jersey alone an estimated 2,072 deaths have been prevented by reducing sulfur dioxide and particulates in the air.

Federal regulatory agencies like the Occupational Safety and Health Administration may come in for more than their share of criticism, but the fact remains that in both 1974 and 1975 OSHA regulation is estimated to have prevented between 40,000 and 60,000 accidents and up to 350 deaths. OSHA efforts to reduce worker exposure to asbestos are expected to save 630 to 2,000 lives annually from lung cancer and asbestosis.

MIT researchers calculate that 28,000 lives were saved from 1966 to 1974 due to motor vehicle occupant protection standards. Seat belts have reduced injuries in car accidents by an estimated 34%, despite low use rates. Child-resistant drug packaging rules have prevented an estimated 34,000 cases of accidental poisoning, while the frequency of death and serious burns to children was reduced by 20% in 1975 alone, following the implementation of fabric flammability standards.

The report stands as quiet testimony to the effectiveness of the Federal workforce. While deaths, accidents, and misfortunes which haven't occurred aren't likely to put us in the headlines, this kind of "no news" is very good news indeed.

LETTERS WE WISH WE'D RECEIVED

The following note was written by an employee to a supervisor (who wishes to remain anonymous) as the employee was moving to another assignment. It appears here as food for thought.

You have had a pivotal impact on my career and personal development. This impact occurred in many ways. You allowed me the opportunity to articulate and express my views, not only on office matters, but on many topics: government, public administration, and management. These are subjects that I'm interested in, but outside school had no opportunity to discuss substantively. You conveyed the impression that my views were equal to yours—that's important to me. You provided the opportunities for exposure to different subjects, writers, theories—this contributed to personal growth which, without your influence, would less likely have occurred. You encouraged me to think skeptically, to consider other points of view, to organize and to problem-solve. I always felt that I could talk to you on issues and matters, regardless of hierarchy—that often was important, also. I appreciate the assistance that you gave me for development. I learned a good deal. I am fortunate to have worked for you.

THE PETER'S PEOPLE AWARD

Your magazine, **Management**, is first rate. Certificate (the Peter's People Award for Competence) enclosed. The practical approach is what I have been pushing for years.

Laurence J. Peter
Author, The Peter Principle
Palos Verdes, CA.

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MANAGEMENT

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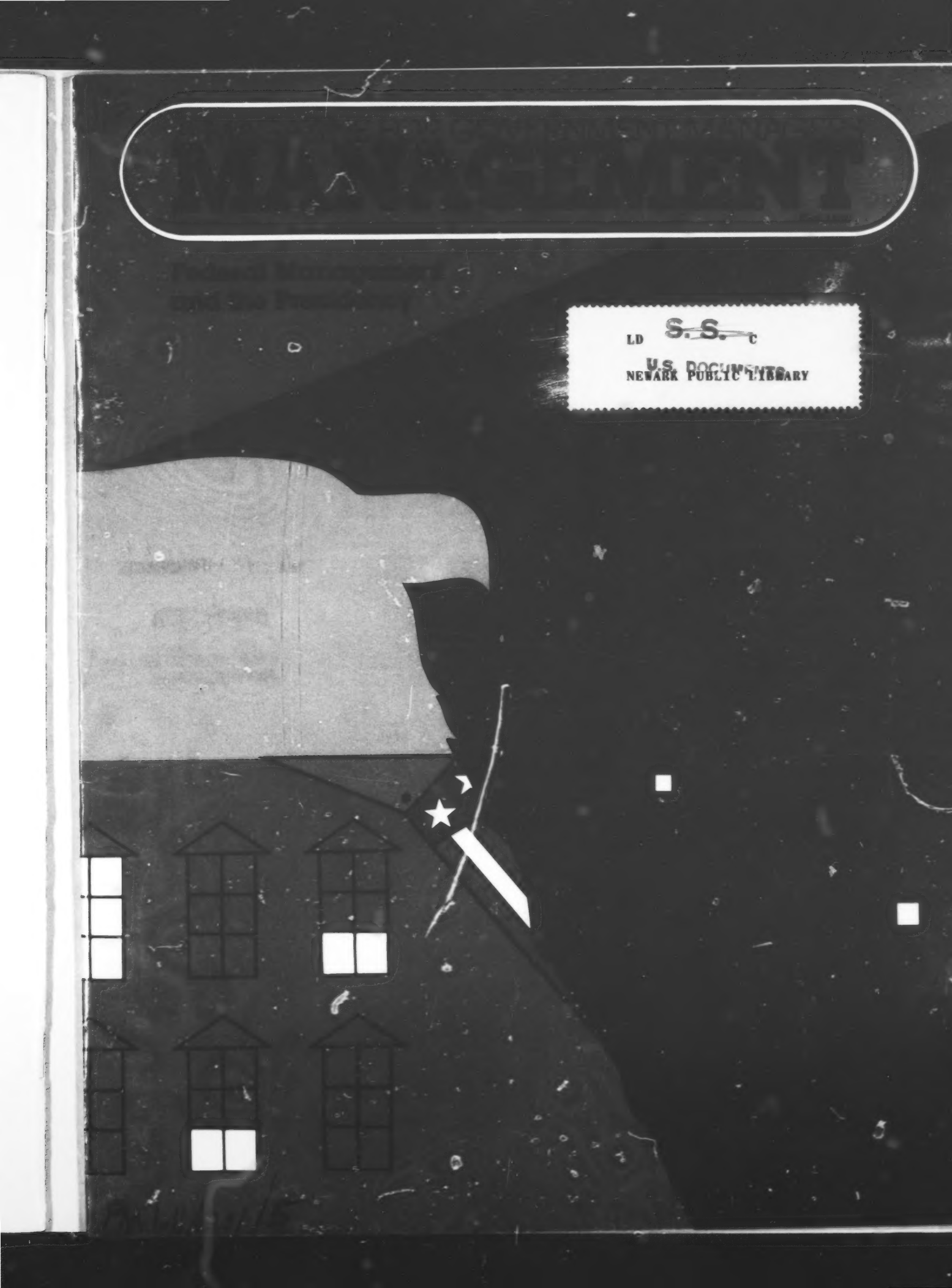
Federal Agency Bulk Subscriptions: Federal Government agencies may obtain bulk supplies of **Management** at reduced rates through sharing the publication costs by riding OPM's printing requisition. For those agencies not already using the rider system or wishing to increase their order, a Rider Bulletin (FPM 171-583) was issued for **Management** in January 1980.

Since FPM Bulletins are normally distributed to offices of Federal Directors of Personnel, you may want to contact that office in your agency to express your desire to get copies through the rider bulletin method.

Orders should be placed through your agency's printing procurement office. That office should submit a Standard Form 1 requisition to the Government Printing Office, requesting to ride OPM's printing requisition 80-35 to obtain the number of subscriptions desired and specifying addresses to which distribution should be made.

If you did not receive a copy of the FPM Rider Bulletin in January, call us (202-632-4400) and we will send you one. Thank you for your interest in **Management**.



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Foreword

An Incentive to Excel

Recently, I was pleased to participate in a White House ceremony honoring 49 outstanding members of the career Senior Executive Service. These men and women, who have given the best of themselves in service to their country, received the first substantial financial awards authorized by the Civil Service Reform Act.

The Distinguished Executives honored represent .6 of 1 percent of SES members, of whom a maximum of 1 percent, by law, may receive this distinction in any one year. In addition, 206 SES members were selected to receive Presidential Meritorious Rank Awards. This number represents 3.06 percent of SES membership, of whom a maximum of 5 percent may receive this award. Distinguished Executives received $20,000 and Meritorious Executives $10,000 in cash bonuses.

Those honored were selected by their peers and by the heads of their Departments and agencies. Their selection was reviewed and confirmed by an independent panel of individuals from business, education, and science.

These bonuses provide a richly deserved reward but as noted by the President during the ceremony, more than the additional income, they set the precedent that outstanding public service will be rewarded. This will encourage employees at all levels to improve their productivity and to strive for the exceptional accomplishments that will help us achieve civil service reform's goal: improved service to the public.

Too often, the consistently high quality achievements of Federal workers are ignored. Through bestowal of awards such as these, it is my hope that we can call more public attention to the achievements of our government and the people who make it work.

As President Carter remarked, "In honoring you, I hope to encourage others, all public servants, to higher levels of accomplishments. And I also want to make your excellence known to your employers, the people of America. Too often we single out Federal managers only when there has been a problem. We focus attention only on the shortcomings of the Federal bureaucracy and our public servants. This is no way to run a government, or any enterprise. Federal managers exert an enormous influence on us all. Your responsibilities are often staggering in their scope and complexity and difficulty. Some of you are the most important executives in America. Where we find excellence, we need to acknowledge and reward that excellence publicly."

The President's commitment sets the direction for all of us. Members of the SES have a professional obligation to provide the leadership.

Alan K. Campbell

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UNLESS...

YES

On Wednesday, November 5, 1980, your newly-elected/re-elected President will be opening a mountain of congratulatory telegrams. Government offices across the country will be churning with rumors of who will be "in" and who will be "out." Columnists will be pontificating on what the White House will be like in the next few months—the directions of foreign policy, new domestic initiatives . . .

As career executives, however, you can look beyond a few days or months. You can ask yourself: What kinds of management issues will the President—any President—face in January of 1981 and throughout the '80's?

ON FEDERAL MANAGEMENT AND THE PRESIDENCY

By Bradley H. Patterson, Jr.

On January 20, the President will walk into the White House from his inaugural parade, having just sworn to uphold the Constitution of the United States, ARTICLE II of which says that "the Executive Power shall be vested in *a* President . . ." But through the windows of the Oval Office he will look out upon an Executive Branch of 4 million civilian and military employees.

Bradley H. Patterson, Jr., a former White House staff member and Federal manager for 32 years, is a Senior Staff Member of the Brookings Institution in Washington.

There is his first management problem: Can a single executive give direction and leadership to 4 million people, divided into 13 departments and 62 agencies?

He will look down at his desk and see an agenda on which he and his enthusiastic associates are eager to take action: inflation, unemployment, energy, national security, regulatory reform, civil rights, immigration, and so on. But the scope of those issues bears *no* relationship to the boundary lines among 75 sets of departments and agencies. None of those problems can be tucked under the authority of a single Cabinet officer; all involve the jurisdiction and expertise of multiples of very large institutions.

And there is his second management problem: How can he collect the information and advice he needs to tackle broad based questions where no one department is responsible? How can he integrate that advice into options and choices that are fully laid out for consideration?

Finally he will realize that 75 is an over-simplified number, that the 4 million employees are subdivided *ad infinitum* into bureaus and offices where advocacy is the rule and where loyalties, more often than not, run not to him but to client and constituency groups with a "my-cause-is-everything" view of the public interest.

His third management problem thus arises: Where can he get objective information and advice?

Actually all these management issues are aspects of one principal Presidential problem: ***How can a single executive create and maintain an efficient policy formulation system in an environment where pluralism is all-pervasive?***

"Cabinet Government" is not the answer (unless a President has Eisenhower's personal interest and organizing ability to insist that the Cabinet, meeting as a group, take up all major domestic issues on the basis of privileged papers circulated in advance). Otherwise, *inter*departmental mechanisms must be found to pull together facts and options on crosscutting issues.

Reorganization is not the answer: While it can tinker at the edges, no reorganization will ever combine State and Defense, Justice and Interior, Small Business Administration and Commerce. The great chasms among the big departments will stay, as will the little gulfs among advocacy-minded offices.

Cabinet Committees are not the answer, nor is the "lead agency" theory: Cabinet members do not defer to one another, especially when major policy disagreements are present. The result is that the covering paper going to the President from a cabinet committee is usually the product of a White House officer's review, and many cabinet committees are finally chaired by White House staff.

What is the answer? Have we arrived at the point where only the Executive Office and the White House have the perspective, the objectivity and "reach" to do the principal staff work on important policy questions for the President?

Yes—unless . . .

1. Unless Federal executives broaden their perspectives beyond their departmental boundaries, they will take second place to Executive Office or White House problem-solvers. Sometimes they do: In the 60's, State, Defense and Treasury undertook to nudge the Japanese Government to offset the large balance of payments drain from American forces in Japan by expanding Japanese purchases of defensive U.S. military equipment. They faced a complicated mix of Japanese history and politics, U.S. defense policy, balance of payments problems, weapons characteristics and negotiation within diplomatic limits. A State-Defense-Treasury team was formed; its members, while having different perspectives, could all talk in terms of each other's concerns. The team went to Japan, preceded by telegrams captioned "JOINT BALL-McNAMARA-DILLON MESSAGE." The Deputy Secretary of Defense was the senior negotiator. Coordination was close, information was fully shared, and there was a common recognition of the delicacy of the issues.

Sometimes they don't: In 1972 the White House became aware of an acerbic exchange of correspondence among the Civil Service Commission, the Department of Justice and the Equal Employment Opportunity Commission about affirmative action policy. EEOC was advocating minority hiring as a foremost objective; CSC was aghast at what it saw as violation of merit principles; and Justice was in the middle, trying to settle court cases with conflicting advice from both sides. The Department of Labor's Office of Federal Contract Compliance was also involved. The exchanges were so hostile that the White House had to intervene and

spend nearly two years drafting and implementing a Four-Agency Agreement. Texts were exchanged, even single words were bargained over, but the White House controlled the negotiations from start to finish.

There is nothing wrong with policy conflict, with different views expressed vigorously. But in government the debate must finally stop, all the choices be honestly stated, and a decision made. If parochialism or personalities become too heated or too narrow, the White House or Executive Office has no choice but to step in and participate directly in the resolution of an issue.

Is it written in stone that agency executives must be parochial? Is it difficult for them to acquire a broad perspective of public policy issues? No. OPM's Executive Seminar Centers, DOD's National Defense University, State's Foreign Service Institute, OPM's Federal Executive Institute, the Brookings Institution's conferences and seminars, and other similar opportunities are all available to Federal executives who want to reach out and look at public policy issues beyond the boundary lines of their individual departments and offices.

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2. Unless advocacy can be curbed and Federal executives place a value on the wider interest over narrow agency or constituency pressures, Executive Office or White House staff will take over and do it for them.

A few years ago I attended the swearing-in of the new Assistant Secretary for Indian Affairs at Interior. He was a Blackfoot Indian, and his fellow tribesmen had come to witness the ceremony. Afterwards a Blackfoot chief rose and pointed a long finger at Secretary Andrus. "Remember, Mr. Secretary," he boomed, *"he's one of us."* I left wondering whether the new Assistant Secretary would be a public administrator—or a captive.

The President and the White House Staff are keenly aware of the maze of constituency pressures that are entwined with the executive branch's decision-making processes. The White House Public Liaison Office invites interest-group leaders in for special briefings, arranges "stroking" sessions with the President or with cabinet members, cultivates their newsletter editors, and sends speakers to their conventions. Yet the Domestic Policy Staff and the Office of Management and Budget usually try to discount constituency parochialism and insist that any of their proposals be judged against tough standards of cost, precedent, effectiveness and long-range consequences.

My advice to Federal executives is: Let the White House do the politicking with interest-group leaders. Make your recommendations meet the demanding test of cost effectiveness and of the public interest. (The very pluralism of interest-groups is some protection here: the priorities of one are polar opposites to others, and the Federal executive can balance the conflicting advocacies and find middle ground.)

If you fail to do this, you will be second-guessed by OMB and the White House staff, and you will reinforce the inaugurated President's built-in suspicion that you are captives rather than public administrators.

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3. Unless Federal executives develop systems to share information among themselves and with the White House, they will set themselves up for the White House to do all the final staff work on cross-jurisdictional issues. And in the not-too-distant future, domestic agencies will find themselves yanked into data-sharing systems anyway.

Around the wall of the fourth floor of the beautiful old Pension Building, where the Heritage Conservation and Recreation Service of the Department of the Interior has its offices, there still runs a heavy iron rail. A hundred years ago, before the telephone, stacks of Federal documents were wheeled from office to office in buckets hung from that rail. Today, just two floors below, HCRS offices now have "electronic mail boxes"—a communications/computer/display/printout system instantly connecting their top staff, Regional Directors across the country and (on an experimental basis) one State's office. The national security community has had shared electronic communications since at least 1964, and the White House skims off the most important fraction of all of that traffic.

I sometimes think that the domestic agencies are still in the rail-and-bucket days, and my prediction is that (a) other domestic agencies will soon copy the HCRS experiment and (b) the White House will, and should, cut itself in on the most important messages in those systems, too.

Will this happen amid department foot-dragging, or will Federal executives in the domestic agencies wake up to the national security model and help the White House develop a shared domestic information network as good as the State/Defense/CIA arrangement?

The President *must* have shared information from all over the Executive Branch to match the cross-cutting nature of the problems he

has to handle. Federal executives of the '80's can either expedite this process or exacerbate the old polarities and suspicions between the White House and the Departments.

4. Unless Federal managers curb their tendency to insulate themselves from the Presidency and from Executive Office staff functions, they will weaken the executive leadership which they themselves need, and will provoke countercentralization in the Presidency.

A small business lobbyist proposed to a group of Small Business Administration executives the other day that they try to get themselves exempted from OMB budget review. An environmentalist group last year went to court to try to keep the Council of Economic Advisers from confidentially advising the Secretary of the Interior about strip mining regulations. A major Department of Agriculture official—the Rural Electrification Administrator—has been given a ten-year term to insulate him from "political pressures." Regulatory analysis cost/benefit review, requested by the Executive Office's Regulatory Analysis Review Group, may be very unpopular with some of the agencies still trying to promulgate "command and control" rules.

"Let's keep politics out of X agency" sounds like good public administration, but it is just the opposite. The real message is: "Mr. President, keep your hands off our bureaucratic bailiwick and let us unelected executives manage it as we see fit." If Federal executives really believe in the Constitution, they should live by it; let the President have his Article II powers —because only he is accountable to a watchful electorate.

5. Unless Federal executives at all levels practice respect for executive privilege, and keep the confidences implied in handling Presidential and Executive Office papers as well as those classified for national security, the White House will be increasingly driven to confine staff work on Presidential matters to an ever-smaller circle, bypassing departmental officers and distorting the public administration process.

In the very decision in which the Supreme Court denied Mr. Nixon the confidentiality of those of his tapes needed for "a pending criminal prosecution," the Court also for the first time confirmed the validity in all other circumstances of Presidential executive privilege: *"A President and those who assist him must be free to explore alternatives in the process of shaping policies and making decisions and to do so in a way many would be unwilling to express except privately. These are the considerations justifying a presumptive privilege for Presidential communications. The privilege is fundamental to the operation of government and inextricably rooted in the separation of powers under the Constitution."*

Forthrightly as that principle was enunciated, it is frequently violated (e.g. by whoever it was who gave *The Nation* a year's worth of Cabinet minutes, which *The Nation* gleefully printed in its September 30, 1978 edition).

Now that we have Inspectors General in every Department to handle questions of allegedly illegal or unethical behavior—and especially in those Departments, like State, which has established a "Dissent Channel" for policy disagreements—there is much less justification for leaking and whistleblowing.

But justified or not, noble though they may be claimed, the acts of a leaker or whistleblower disclosing confidential or privileged communications have to be looked at from one other angle: their effect on Presidential public administration. There is no question what this effect is: it dries up a President's willingness to encourage interagency participation in his decision-making processes. He and his close associates will retreat into using back channels, "eyes only" envelopes, and closed door meetings, from all of which both career and non-career executives from the line departments will be increasingly excluded.

There is a clear message here for Federal executives: show disrespect for executive privilege, and you get frozen out of participation in top-level policy work.

January 20, 1981 is only a couple of months away. Will the President who is inaugurated that day be forced to continue the 30-year trend of centralizing the policymaking process more and more within the Executive Office?

Yes, unless . . .

The above are the views of the author and not those of the Brookings Institution.

"PRODUCTIVITY COMES FROM PEOPLE, NOT FROM MACHINES"

AN INTERVIEW WITH MAJOR GENERAL LYNWOOD E. CLARK, U.S.A.F.

by Abby Rosenthal

Major General Lynwood E. Clark began his military career in 1949 as an aviation cadet and in 1961 graduated from the Armed Forces Staff College in Norfolk, Virginia. A much decorated command pilot and fighter gunnery instructor, he has served all over the world and seen combat in Korea and Vietnam. In 1967 he was assigned to Headquarters, U.S.A.F. as an operations officer and served with distinction in command posts in Idaho, Taipei, Okinawa and Hawaii before coming to San Antonio.

The San Antonio Air Logistics Center, Kelly Air Force Base, Texas, has recently been the focus of national attention as a result of its dramatically increased productivity. Since General Lynwood E. Clark assumed command in 1977, Kelly has received the Air Force Organizational Excellence Award and the 1980 National Award for Excellence in Productivity Improvement of the American Institute of Industrial Engineers. It has also been designated an Exemplary Practice in Federal Productivity by the Office of Personnel Management.

One of five similar centers in the Air Force Logistics Command, Kelly Air Force Base provides world-wide support to Air Force aircraft, engines, support systems, and components, including purchase, storage, distribution, and maintenance. The base is organized into seven directorates and employs 16,500 persons, 15,300 of whom are civilians and 9,000 of Hispanic heritage.

Under General Clark's leadership, Kelly Air Force Base has used such management techniques as orthodox job enrichment (OJE), management by objective, and a strong labor standards improvement program to raise productivity substantially. The Maintenance Directorate, for example, produced 30,000 more engine components, overhauled more than twice the number of aircraft, and produced 23% more commodity items in 1978 than 1977. At the same time, the Directorate achieved a decline in defect complaints, a 90% rating for on-time delivery, and improved levels of quality control.

An important component of the Kelly productivity effort is management's commitment to a vigorous employee relations program. Structured competition, formal recognition programs for performance, and a high priority employee "hotline" have resulted in reduced sick leave rates, smoother union-management relations, and improved worker morale. In response to management's firm support of affirmative action principles, EEO complaints have decreased by 50%.

Q. Since your arrival at Kelly Air Force Base, you've launched a number of programs to increase productivity. One that stands out is the Orthodox Job Enrichment program. What is OJE, why did you choose the OJE approach, and how did you carry it out?

A. Let me say first that what works for one organization or person may not work for another. When I arrived here, I had to find out what the problems were and what motivated the people involved before I could begin. Orthodox job enrichment offered a structured approach to solving problems that touched a great number of people and a very complex pattern of organization where normal techniques of leadership might not work. With OJE, I was able to get things moving across the barriers between our Directorates. That had been a major problem here.

OJE involves improving the work environment and the quality of work through redesigning jobs to make individual workers more responsible and the work less fragmented. It provides a structured approach for managers to tackle problems, whether they're problems in morale or in the production process. It trains managers to do this and brings them together as problem-solving teams. There's no magic in OJE—I've used the term on occasion that it's snake oil—but it does offer structure. At first, I attempted to apply OJE principles informally, across the board, with a minimum of training, but this approach didn't prove very effective. OJE worked best when we went through the whole hierarchy of training, the entire procedure. That structure was needed to get people working. It forced supervisors and employees to sit down and talk about problems, as opposed to thinking the other guy was doing something about it and losing the problem in the interface. When OJE was done thoroughly, people recognized its value and it was successful.

One area where OJE worked especially well was in the J-79 engine tear-down unit. Our success was bred primarily by a group of people who were bored and disillusioned with their jobs because they didn't feel recognized. They were the also-rans, and they needed an opportunity to spread their wings, to feel more productive and undertake more complex tasks. We improved the work environment and restructured some of those jobs to increase worker involvement in the total project. We got our managers meeting together. The proof of the pudding is that under OJE they came up with some darned good ideas on how to improve the tear-down process and how to salvage parts. Morale is good. Some of those people, the ones who

demonstrated excellent performance, have been promoted to higher grade levels in jobs where they feel they're doing something more important.

Q. What about your labor standards improvement program? How did you decide to cut 10% from non-engineered job standards and 15% from engineered job standards?

A. I wish you hadn't asked me that. We reached out and grabbed those figures out of the air. Frankly, we took a chance—calculated, of course. I had been in the shops and watched the people in their work environment. You can tell when people are really busy or just busy-busy or not busy at all. I felt it was a reasonable risk to make those cuts. I knew one thing: if we cut too deep, heads would pop up, and people would say, "Help, I can't do my job," or else certain items would not be produced on time. As it turned out, not a single head popped up. So I have to draw one conclusion: we didn't cut them quite far enough.

But there's a point where you can become counter-productive. If people begin to believe you're running a sweatshop, then you're going to have a rebellion. When we cut standards we launched some recognition programs to make people feel that increased productivity through better efficiency paid off in a sense of accomplishment. The productivity award received by our Directorate of Maintenance from the American Institute of Industrial Engineers was an outgrowth of that effort. With malice aforethought, determination, intent, we went out to get that award for a group of people who had done very, very well. We put together a brochure and did a lot of horntooting. They deserved it. That's why we did it.

Q. Were people afraid that increased productivity would lead to lay-offs?

A. In cutting standards we had to assure people that we would bring in extra work. One reason I had confidence in the program was that I knew from my previous assignment in an operational command there was lots of work that had been stacked in the back shelves awaiting space in the depots' overhaul lines. We hustled for that work. In fact, in 1979 we arrived at nearly 800,000 extra manhours, and a significant proportion of that went to increasing Air Force readiness. We brought in extra airplanes, some of which nobody else would touch, extra pieces that needed repair, extra engines. That does everybody a favor. It gives us more work and puts more serviceable items on the shelves in our combat units. That's what we're in

business for—to support our operational forces.

But basically people wanted greater productivity. Some of them were very bored. I talked to literally hundreds of our employees, asking them what they felt about Kelly and their jobs and what they would do to improve things. I found a significant number wanted more work. They didn't have enough to keep them busy and dreaded coming in the gate because they knew they'd be bored. Now they don't have to wait for the day to end.

Q. When you were formulating ideas for your productivity effort, where did you look first?

A. I went to the people. I went to the situation. I spent a lot of time in the shops. I'd worked in the maintenance area of an operational unit on Okinawa, so I understood what people were doing and talked their language to some degree. I found—and I'm referring to our Mexican-American employees now—that they're patriotic, very proud of their association with Kelly Field. After you've broken the ice, they'll tell you honestly what the problems are. In some organizations, people try to hide problems, but that wasn't the case here. Also, we have a very stable, very experienced workforce at Kelly. If you give them a problem, take the rules away from them and just get out of their way, they'll solve it for you.

Sometimes when you talk to people, you learn some non-job-related things which later turn out to be very useful. For instance, the people here enjoy a park. When you're giving them something in return for their hard work, you might want to upgrade the park. I've been all over the world and with the exception of this place, I wouldn't spend a nickel on a park, because most people merely look at it as they drive by. But that's not true here. You'll find hundreds of people in our on-base park almost any day, and close to a thousand on weekends. When we wanted to thank our employees for their efforts, we built pavilions for them and latrines and extra barbecue pits

and kept the grass up. For our people, that's a good investment. That's the kind of thing a manager has to find out if he or she is going to motivate people.

Another thing: I always check the interfaces between units. I don't care where you are, there's inevitably a disconnection at the interface. If you know where to look for the problem, you don't waste time at the middle of the organization. Instead you determine how the interface needs to be accomplished and get the people there talking to each other. That way, they believe they're solving the problem, and they're happy. You've stuck your nose right in the middle of their business, and they don't resent it—too much.

Q. How do you keep productivity up, after the initial excitement's worn off?

A. You have to go back in and remotivate people frequently. Frankly, if we did something like OJE over again, that would be demotivating to them. They've already had OJE, they know the rules, and they would be bored. You use something different and establish a rhythm of change.

And, once again, you have to know your people, you have to maintain contact with them. We seem to go through cycles here. For a while we'll work on one aspect of employee relations and give it a big push. We'll interview and listen to grievances and complaints. Then it seems to die off and something else comes up as a problem. Right now, hot weather is an issue. We're pushing hard on the cooling problems that exist and putting more effort into it than rightfully it's owed from a priority standpoint—but again, it pays off in keeping people happy. And I think that's the bottom line. Productivity comes from people, not machines. You can spend millions of dollars to get a one percent increase in efficiency by putting in new machines, but by convincing people that they can do the job more easily, more efficiently, better and with pride, you can get a ten or fifteen percent increase.

Q. Do you have any special ways of handling red tape?

A. I do, but I don't recommend them because you get in trouble all the time. And I am in trouble continuously. Let me put it this way. I don't break rules, but I sure as the devil stretch them to the maximum degree in order to get the job done. And I encourage our people to do the same. Now, after the Air Force writes a rule or regulation, as it comes down the line each intervening level of command adds a little twist to it, and pretty soon you have an end-product which you have to implement, but which sometimes is not too sensible. The normal thing to do is salute smartly

and proceed as directed in that particular regulation. But I have tried to convince people here that they ought to challenge that. I don't suggest that they break the rule, but rather that they challenge it and show the people back up the line how the job can be done more effectively if all the trash and trivia is removed. We also try to get permission to deviate from certain procedures on an interim basis until they can be corrected or improved.

In a way, it's a test of patience more than anything else. You need patience to see whether the ideas you have will be accepted or, if they're not, what it is you can do to say it a different way another day. Finally people get so sick of hearing you that they say, "All right, go ahead and do it."

Q. You seem to be someone who takes risks. How do you encourage the people you work with to take risks?

A. By protecting them. One of the reasons I can take risks is that my boss works very hard to protect me. He's great to work for. You've got to be willing to stand up and take all the brickbats that are thrown. Otherwise your people won't stick their necks out, and you can't blame them. It took a long time for the employees here to gain enough confidence to take chances and start doing things that needed doing.

Q. How do you use competition to increase productivity?

A. Generally speaking, if you have a competition, people enjoy it. There are exceptions, of course, but the majority will get in there and hustle. If they feel they affect the outcome, they'll hustle for sure. If they think they're not influencing it or have little influence, it won't mean much to them. You've got to make sure the competition is something they can touch and feel. You also have to protect some of the weaker ones. If you have a weak section because of poor supervision or poor training or a tougher job, you've got to modify the rules so that they stand a chance of winning. Competition can be counterproductive if you're always losing. Also, I think you have to change the competition from time to time, because people become bored with the same game.

One important incentive to our people is a Hall of Fame competition among the Resource Control Centers, which are organizational units in the production area. Units with similar functions compete against each other for recognition. Productivity is only part of it. Other factors involved are quality and leave rates. We also have performance awards for individuals.

And then there's Tourneyfest—that one even shocked me. It started in our Materiel Management Directorate—I just watched in amazement. Basically Tourneyfest is a competition among employees in anything they want to do. If they play checkers, darts, tiddlywinks, tennis or even make wine, they are encouraged to compete—after work and on weekends, of course. The idea was so effective that I stole it and applied it to the whole base. Now we have a yearly competition that lasts from late February through the playoffs during our Family Festival in June. If you don't believe people get excited about it, you should see some of our Kelly workers who have never been

inside the fences past Friday lining up to get on the softball field. But just as important, Tourneyfest got people who work together talking to each other. It's not directly related to work—except that the Directorates compete against each other—but it builds esprit de corps and individual morale, and makes for a happier, more productive workforce.

Q. Every now and then I hear it claimed that productivity has suffered from affirmative action programs. Could you address this issue?

A. The EEO program here has paid off because the majority of our people believe it's doing some good for them. Our workforce is 63% minority, so it's understandable that if our employees feel we're concerned about EEO and treat them fairly, they're more productive. Now, in any group there are a few exceptions, people who use the EEO program either to subvert the merit system or to promote themselves in an unfair way, but all in all, the organized effort to improve the lot of minorities is worth every bit of time invested. We press hard here for EEO, and it has helped us get the kind of cooperation and performance we're looking for.

Q. What are your strengths as a manager?

A. Oh, probably persistence. And a bit of the chance taking that we talked about earlier. I feel secure in my job, my boss is very supportive, and I've always been a chance-taker, so part of my competition is to compete against myself. Obviously there are times I make mistakes, but my ego isn't so big that I have to win every time. I care whether I'm successful, but if I'm not, I scratch that one off the books and try something different.

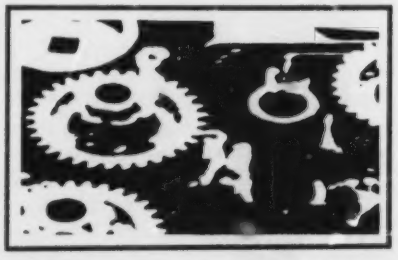
I guess another factor is that I enjoy people. I like them, I believe they're basically good. I also believe that they want to work and that if you take the stumbling blocks away from them, they'll do a tremendous job. As a result, they probably work better for me than they would for somebody who didn't enjoy them, who felt they were tools or playthings.

Clark's Management Agenda

1. *Identify problems and inefficiencies.*
2. *Encourage friendly competition.*
3. *Encourage innovation.*
4. *Be patient and persistent.*
5. *Maintain involvement with the total operation—but delegate.*
6. *Handpick key people, whenever possible.*
7. *Know your people.*
8. *Assign specific tasks to specific people and avoid committees.*
9. *Balance discipline and reward.*
10. *Take care of your people.*

Q. What do you look for when you hire staff? Experience?

A. Yes, but experience can be hard to determine. I look for people who are leaning forward in the chair wanting to get at the job. You can take someone like that and steer him or her to significant accomplishments. You allow for a little toe-stubbing, but ultimately you can turn that person loose to accomplish things. With someone who's hesitant and has no confidence, you spend most of your time pushing. More than experience, I look for an attitude that says, "I really want to get in there and do something."



For more information on Kelly AFB productivity, write OPM's Productivity Resource Center, Box 14080, Washington, DC 20044.

By Anthony F. Ingrassia

LABOR-MANAGEMENT RELATIONS FOR THE FEDERAL MANAGER

Item: "The Congress find that—

"(1) experience in both private and public employment indicates that the statutory protection of the right of employees to organize, bargain collectively, and participate through labor organizations of their own choosing in decisions which affect them—
(A) safeguards the public interest,
(B) contributes to the effective conduct of public business, and
(C) facilitates and encourages the amicable settlements of disputes between employees and their employers involving conditions of employment; and
(2) the public interest demands the highest standards of employee performance and the continued development and implementation of modern and progressive work practices to facilitate and improve employee performance and the efficient accomplishment of the operations of the Government.

"Therefore, labor organizations and collective bargaining in the civil service are in the public interest." Section 7101 (a), Civil Service Reform Act, Public Law 95-454.

Item: As of November, 1979, there were 1,245,988 non-postal Federal employees in bargaining units represented by unions. This is 61% of the total civilian Federal workforce. In contrast, about 23% of the total workforce in the private sector is organized by unions.

These are the labor-management realities that face Federal managers: It is express public policy that labor organizations and collective bargaining in the civil services are in the public interest. Further, Federal employees are represented by unions at a rate more than two and one-half times that of employees in the American workforce. The Bureau of Labor Statistics, having surveyed the degree of organization in 34 industries, ranks the Federal government as 14th, just below mining (11th), fabricated metals (12th), and electrical machinery (13th), but above paper (15th), manufacturing (16th) and rubber (17th).

What does all this mean for Federal managers? For one thing, it means reduced flexibility. Prior to 1962, and President Kennedy's Executive Order 10988, management was free to make and implement decisions unilaterally. E.O. 10988 limited that freedom somewhat by requiring consultation or negotiation with unions that qualified for those rights. President Nixon's successor Executive Order 11491, in 1969, imposed greater restrictions by establishing third party mechanisms for resolving labor-management disputes.

It is clear that management has less flexibility under Title VII of the Civil Service Reform Act than it had under the Executive Orders. One extreme example is represented by the *Ft. Dix* case (November 1979). During negotiations between the Army-Air Force Exchange Service, Ft. Dix, New Jersey and the American Federation of Government Employees, AFL-CIO, Local 1999, the union made the following proposal: *In the event of a disciplinary suspension or removal, the grievant will exhaust the review procedure contained in this agreement, i.e., grievance and arbitration before the suspension or removal is effectuated, and the employee will re-*

WHAT KIND OF RELATIONSHIP WITH THE UNION? AND WHAT

main in a pay status until a final determination is rendered.

Management refused to consider the proposal and indicated to the union that it was a non-negotiable infringement on management's right to discipline employees. In doing so, management relied on a line of cases under E.O. 11491 that had held that union proposals interfering with management's reserved authority to act, or unreasonably delaying that authority, were equally non-negotiable.

The Federal Labor Relations Authority, established by the Civil Service Reform Act of 1978 to decide labor-management disputes, ruled that the matter was negotiable. The Authority read the legislative history of CSRA to mean that it was Congress's intent only to protect management's right to act *at all,* not to protect it against unreasonable delay. (It must be pointed out that the Authority's decision was not that the proposal had to be accepted, but rather that it was a legal proposal for the union to make and that the parties were required to bargain on the subject in good faith.)

The Office of Personnel Management and the Department of Defense have taken strong objection to this reading of the law, and the Department of Justice has appealed the Authority's decision. But even if the courts reverse the Authority's decision, and even if future cases interpret the management rights clauses of CSRA in the best light for management, there nevertheless will be more constraints on management's freedom to act. Consider the administrative apparatus set up by the Reform Act: the Federal Labor Relations Authority, plus an independent General Counsel who will provide free investigative and prosecutorial services (mostly directed at management); the Merit Systems Protection Board and its even more wide-ranging Special Counsel; the widened scope of matters that can go to arbitrators; and the likely increased role of the courts. Add to this apparatus the existing roles of the General Accounting Office and the Equal Employment Opportunity Commission, and the conclusion is clear: the monolithic personnel system is dead.

The result is more complexity, more legal issues and litigation, more areas of union interest and involvement, more aggressiveness, and more challenges to management decisions. There will be more costs and more delays, and a greater likelihood that disputes will escalate to top echelons if not anticipated and managed. And the proliferation of third parties mentioned above means that more decisions will be made outside your agency.

These negative aspects of the situation should not be overemphasized. The costs, the delay, and the rest are the price we pay for employee involvement in decision-making. It is a justifiable price, indeed a necessary and worthwhile price to pay, if it results in joint problem-solving by permitting input to management decisions from those affected by those decisions.

We have known for years that the character and composition of the work force, including the Federal work force, have been changing. Workers are younger, better educated, more interested in achieving personal satisfaction and personal goals, less patient, and less accepting of authority. We also know that in private industry absenteeism, employee turnover, and work-spoilage rates are high, while America's annual rate of productivity increase is lower than it has ever been.

All those things may or may not be connected, but some of the largest and best managed corporations in the country are acting as if there is a relationship. These companies have decided that there is more to productivity than capital investment, new technology and different processes. They are spending a lot of time, money and energy on efforts that recognize the intelligence and dignity of their workers, and encourage workers' involvement in improving productivity. These companies are convinced that significant improvements can be achieved through employee participation at the work site. Companies that are unionized must channel their efforts through the union, as most Federal managers must.

The Civil Service Reform Act presents a real challenge to management. Union and employee involvement in decision making does result in decreased flexibility. At the same time, that involvement provides the incentive for improved productivity that comes with a motivated, participatory work force. The management task is to protect and use the flexibility that remains, and to enlist union and employee support for more effective and efficient public services.

How can this be done?

All managers, top to bottom, have got to become aware of, and involved in, their agencies' labor relations policies and practices. An adequate and competent labor relations staff is a prerequisite, of course; but labor relations responsibility cannot be abdicated entirely to that staff.

Management cannot stand pas-

DOES MANAGEMENT WANT PRICE IS IT WILLING TO PAY?

sively by, reacting to, rather than anticipating and dealing with, employee/union concerns. The impact on employees of management policies and actions should be carefully considered in advance, not after the union comes knocking on the door to protest. But beyond this, management should have a coherent and well understood labor relations policy. What kind of relationship does management want with the union(s)? And what price is it willing to pay to achieve it?

It should be obvious that a union-management relationship based on some degree of trust and mutual respect is an absolute requirement for union cooperation in efforts to improve productivity and quality of work life. The union simply will not trust management's motives without it.

In 1974, the Office of Labor-Management Relations developed a scale, composed of eleven elements, for measuring the quality of a union-management relationship. The elements ranked in the high and middle ranges of importance by both managers and union officers are shown in order:

1. Communication between the parties, other than negotiation, is highly developed.
2. Both labor and management fully accept the importance of the institution of collective bargaining.
3. Although each party identifies most strongly with its own interests, the parties know and respect each other's goals.
4. The parties recognize that they have certain goals in common.
5. Negotiations are carried out with intelligence, preparation, and a sincere desire to achieve results.
6. The agreement is understood and effectively administered in good faith by both parties.

Both managers and union officers placed a high value on the acceptance of each other's mutual interests and/or legitimacy and the willingness to follow through in a way that expresses that acceptance. This is particularly important in the Federal sector.

Although Federal unions represent 1,245,988 Federal employees, their membership is considerably less than that. While there are notable exceptions, the general estimate is that union membership is 40% or less of those the unions are legally obligated to represent. Many unions are underfunded and acutely aware of their narrow membership base. In such circumstances, the need for acceptance, for recognition of legitimacy, is particularly strong.

This is a sore point with many union officials. In my view, examples of overt "union busting" in the Federal sector are very, very few. More wide spread, unfortunately, is the lack of an affirmative acceptance, a genuine recognition of mutuality and legitimacy, where there is a union in place.

The key point to remember is that collective bargaining is a process. The union doesn't exist to achieve a specific, identifiable goal (other than AFL pioneer Samuel Gompers' famous "More"). Rather, it exists to represent its members in dealing with management. Therefore, they want management to deal with them. (In the private sector, there is a discredited labor relations system known as Boulwareism. At its best, it meant careful research by management as to what workers' needs were, what was fair and equitable, then offering it to the union, and *standing firm thereafter*. This was detestable to the union. Even if the company's offer was a good one, there was not union participation in the process.)

Also, unions are political organisms, and union officials are politicians: they win or they lose elections. Like all politicians, they want to look good, and they want their names and their pictures before their constituents. Bureaucrats may be faceless, but union officials are not.

Another important point is that union officials know very well something that good managers know: Knowledge is power. A manager who keeps the union informed on matters likely to be of interest or concern to its members is performing a service to that union. On a few occasions this can prove troublesome; it can mean delays or explanations that might not otherwise be necessary. But more often, it will mean no problem where there might have been one. And if the union is not kept informed of things in advance, it may be suspicious when it does learn of them—and it will. Union members may be suspicious that management has something to hide.

My final point is that management must be strong and management-oriented. The acceptance of union legitimacy must not be confused with "caving-in" or "giving away the store." Weakness, or disregard of one's own interest, is a poor basis on which to build a relationship. Good collective bargaining results when strong, self-confident union and management representatives hammer out agreements that reflect the needs of the people they represent, respect for those across the table, and a desire to resolve legitimate problems and concerns.

Anthony F. Ingrassia is Assistant Director for Labor-Management Relations, OPM.

E.E.O.C.'S

IMPROVED CASE MANAGEMENT SYSTEM

By Lewis W. Taylor and L. S. Tao

When an agency is overwhelmed by caseloads, its primary management objective often is just to "get by." Only when it has successfully overcome the pressures of backlogs can it achieve its broader missions. The Equal Opportunity Commission seems to have gone through this process.

In 1972, when Congress amended Title VII of the 1964 Civil Rights Act, it set a high priority on EEOC's enforcement efforts to attack discriminatory employment patterns and systems in society. However, until the Commission could resolve the backlog of charges filed (a total of 100,000 in December of 1977), the agency could not devote the full resources necessary to establish programs to meet its enforcement responsibilities.

Management Initiatives

EEOC attacked its backlog problem through a series of management initiatives that have resulted in significant productivity improvement. Within two years it reduced the backlog by approximately 50,000 cases and has continued to whittle it down. At that rate the Commission expected to eliminate the pending load by the end of September, 1980.

Reduction in backlog, however, is merely one indicator of EEOC's accomplishment. The other indicators include more timely processing of cases, eliminating inappropriate cases from the system more promptly, an increased number of settlements, and a higher average monetary award for the successful charging parties.

The change appears primarily due to the following actions taken by EEOC's management since the beginning of 1978:

- Install new case processing systems and procedures that reduce backlogs and inefficiencies.
- Reorganize field operations, organizing the administrative process along the same lines as the litigation functions, and shifting staff to locations having heavier workloads.
- Obtain authorization for hiring more professional staff to handle cases.
- Develop a new information system on cases and install online terminals for the district offices.
- Tie the information system in with management planning and evaluation.
- Set performance indicators for field offices and conduct periodic review of their performance.
- Increase management accountability by tying performance appraisals for senior executives and managers to their offices' productivity.

Case Management by Stages

In 1977 EEOC revised its case processing procedures and designated the District Offices in Baltimore, Chicago and Dallas as model offices for experiment. Under the new system, staff was assigned to separate units that deal with different phases of a case in sequence. Some of these are: intake, fact-finding, continuing investigation and/or conciliation, and Early Litigation Identification. To increase coordination, legal staff were integrated with management and investigative staff in the district offices. Criteria for professional judgement and determination were set for staff use on cases.

As a result of this "case management by stages" approach, productivity in all three model offices increased by 65%. Total cases resolved increased 96% over the prior year, with model offices resolving 33% more charges than they received. Not only was backlog reduced, but new charges were processed in approximately 65 days, compared to the nearly two years previously needed to complete a case.

Comparative Productivity

	Baltimore		*Chicago*		*Dallas*		*Total*	
	1977	*1978*	*1977*	*1978*	*1977*	*1978*	*1977*	*1978*
Average Staff	25	20	22	34	24	41	71	95
Closures	980	1729	884	2160	1429	3435	3293	7324
Closures/person	39	86	40	64	60	84	46	77
Change		+121%		+60%		+40%		+67%

Case management by stages proved so successful in the model district offices that it has been applied throughout EEOC. Under the new system, professionals do not carry cases from their initiation to completion; each staff unit is assigned only one stage of a case, and units are structured along the important stages that a case will normally go through. The system of case management by stages, which was used to accelerate the development of the Polaris missile, is based on the following three assumptions:

1. A project can be divided into a set of predictable, independent activities.
2. The sequence of project activities can be determined by a graph in which each activity connects with its immediate successors.
3. Activity times may be estimated.

In case management, there are various independent activities that must be performed on a case as it progresses through the various stages of an investigation. The formal case process can be flow-charted so that stages of the investigation are identified and isolated. Staff resources are then targeted for each of the stages. (The Office of the General Counsel, National Labor Relations Board, has applied the approach of case management by stages since the mid-1960's.)

EEOC's system incorporates the following well-tested principles of effective case management:

- Eliminate inappropriate cases as early as possible.
- Generalize common, routine activities of cases and develop standard procedures to deal with them.
- Process cases concurrently and resolve them at the earliest possible stage.
- Develop and use an information system to track cases and form the basis for evaluating management performance.
- Establish time goals for case processing at each stage and revise the goals periodically on the basis of productivity information.
- Hold supervisors and, if possible, individual employees accountable for unacceptable performance.
- Provide incentive awards to supervisors and employees for improved productivity.

Management Accountability System

EEOC's top management adopted a Management Accountability System (MAS) for case processing in all of its field offices. The system is rooted in two management principles: accountability and management by objective. Managers are required to report regularly on case processing to the Central Office. The Central Office, in turn, conducts annual on-site reviews to evaluate whether field offices are processing cases correctly and effectively. Moreover, the system requires that performance appraisals for managers be based on productivity, cost efficiency, timeliness of performance and the achievement of affirmative action goals in hiring. Finally, it stipulates that managers establish a plan in which they set objectives for their offices and by which they operate the offices. Managers are held accountable for meeting these performance objectives.

EEOC's management plan is formed from three major elements: performance indicators, management improvement projects, and a statement of critical issues. It is divided into ten program units that parallel both the case processing system and the functional structure of each office. Tied all along the line with the order of work being done, the EEOC plan operates as the focal point around which productivity is tightly connected with performance appraisal, accountability, management by objectives, performance indicators, and incentive awards.

Quality Assurance

An important question is whether or not EEOC's improved speed in case processing has resulted in lower quality of service as measured by citizens' complaints, professional judgement of errors in the findings or disposition of cases, or an increased number of controverted or litigated cases.

Although EEOC does not now provide systematic information on citizens' complaints about quality of service, there is no evidence that the number of such complaints has increased. The Commission, however, does conduct audits of sampled cases processed in the field offices. And field offices are expected to conduct self-audits every two months on a sampling of cases processed. In fact, the rapid charge processing systems seem to have built-in quality assurance in that collective reviews of problematic cases are conducted by a Management Review Group, or by a supervisor with an Equal Employment Specialist who handles a difficult case.

Nevertheless, there seems to be a need for the Commission to design a procedure to discourage managers from pressuring for premature disposition of cases in order to meet a production goal.

Overall Improvement

If productivity is the ratio between input (including the pending load) and output, EEO's productivity has increased remarkably. New charges are now processed in an average of four months (versus two years previously); 30% more charges are resolved; more than 50% of new charges resolved result in remedies to the charging parties (versus 17% previously); and about 25% of incoming cases are screened out by the system because they are not covered under EEOC's authority under Title VII.

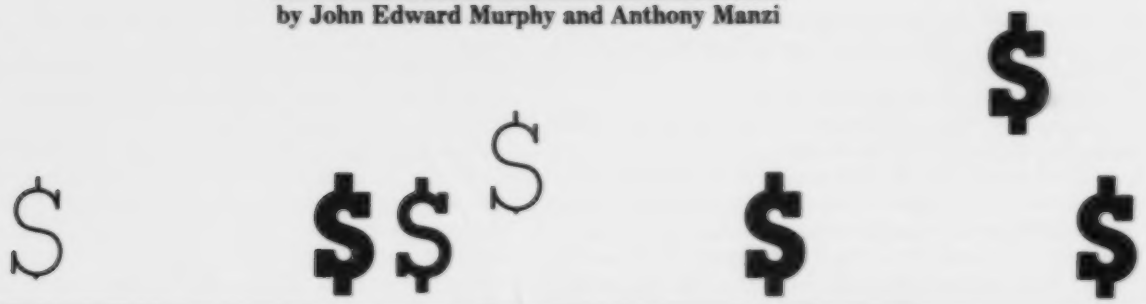
The EEOC experience suggests that management initiatives are crucial to improving agency performance and that productivity can be effectively increased without necessarily relying on the use of advanced automation technology. In fact, almost every feature of EEOC's management reform can be found in the Civil Service Reform Act of 1978. In this world of technology, human factors are still important to productivity management.

Lewis W. Taylor is Director, Counsulting Resources Division, and L. S. Tao is Program Manager for the Case Management Program in the Division, WED/OPM.

YOU AND CASH MANAGEMENT

A PRACTICAL PERSPECTIVE

by John Edward Murphy and Anthony Manzi



Though often considered mundane and technical, improvements in cash management can result in significant savings to the government. In fact, the Office of Management and Budget estimates potential savings of up to $300 million by simple, relatively painless improvements in the way Federal agencies handle cash. Considering this potential, managers should be keenly aware of ways to improve their cash management practices and how these practices affect the cash position of the U.S. Treasury.

At its simplest, cash management means getting the most out of the money we receive, hold and disburse. Until recently, the topic has received little attention by anyone outside OMB and the Treasury Department. However, recent developments, including revised regulations governing cash management (I TFRM 6-8000), spurred improvements to strengthen cash management policies and practices.

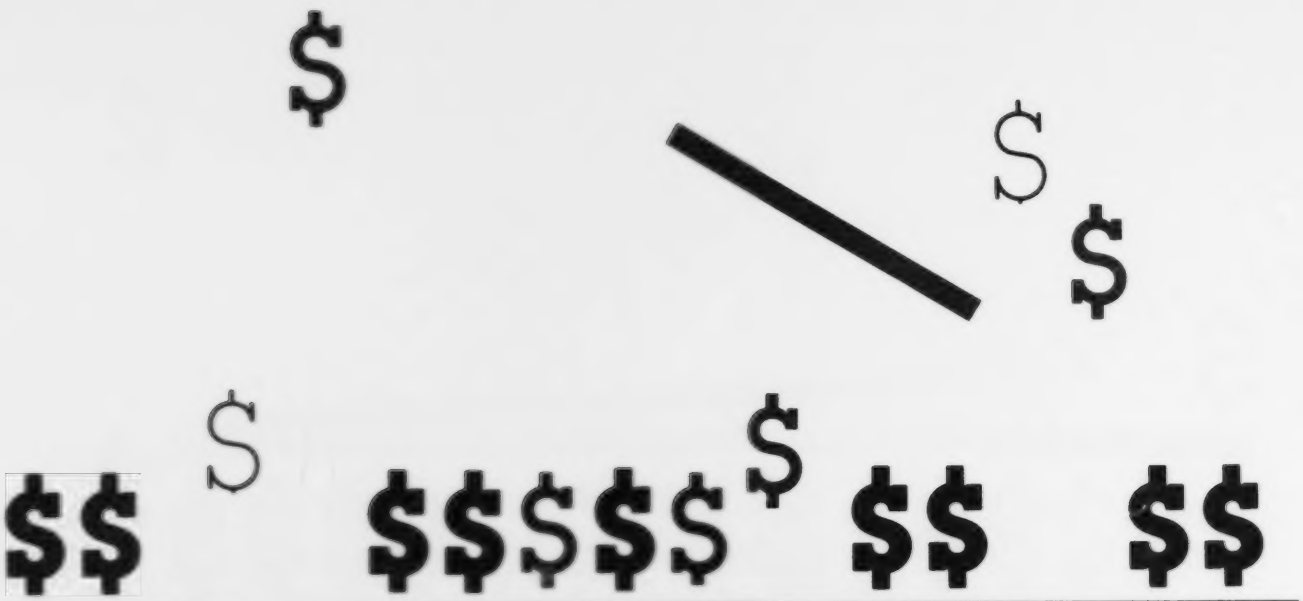
A fundamental concept of cash management is the time value of money. Anyone who has ever paid or received interest knows that a dollar in hand today is worth more than a dollar in the future. Because money has a value over time, organizations as well as individuals are willing to pay interest for its use. In one sense, interest can be viewed as a rental charge for the use of money. Idle cash balances incur a cost, either directly (because they could be used to reduce debt and interest cost), or indirectly (as interest income lost by not investing).

For practical purposes, effective cash management means (a) collecting money as quickly as it is due, (b) ensuring that we pay bills and make other disbursements on time, not early or late, and (c) seeing that the money that accumulates between receipt and disbursement is put to work.

Billings and Collections

Virtually every executive agency is to some extent responsible for collecting money. In addition to corporate and individual income taxes, government receipts include such items as loan repayments and interest; sales of timber, electric energy, minerals, and real property; rental charges; and fines and penalties. The sooner money owed to the government is collected, the sooner it can be put to work. Agencies should try to collect receivables as quickly as possible to reduce overall interest costs. Contracts authorizing goods or services to organizations outside the government should:

- establish a definite payment due date, normally 30 days from the date of the invoice,
- require that payment be received no later than the due date,
- provide for payment by wire where applicable,



- provide for additional charges for late payments, and
- provide for follow-up of past due accounts.

How to Accelerate Collections and Receipts

Simultaneous Deductions from Disbursements

Numerous payments made by the Federal government simultaneously deduct payments to be made to other Federal funds. By eliminating the need for individuals to make separate payments to those funds, the procedure removes potential collection problems and allows deposits to be made much sooner than if payments had to be collected from individuals.

For example, veterans entitled to VA benefits may elect to have National Service Life Insurance premiums deducted from their benefit payments, enabling the VA to collect and deposit insurance premiums on the first of each month.

Advance Collections

Payment may be required in advance or, in some cases, immediately upon receipt of goods or services. For example, large volume purchasers from the Government Printing Office, such as universities, must pay the estimated cost of their orders in advance. This technique, although not always applicable, is most advantageous.

Wire Transfers

Using wire transfers substantially reduces collection time. At the time of the transaction, the payment is electronically transferred from the payer's bank account to the General Fund of the Treasury. When large amounts are transferred by wire, the resulting interest benefits can be significant.

Aggressively Negotiated Collection Terms

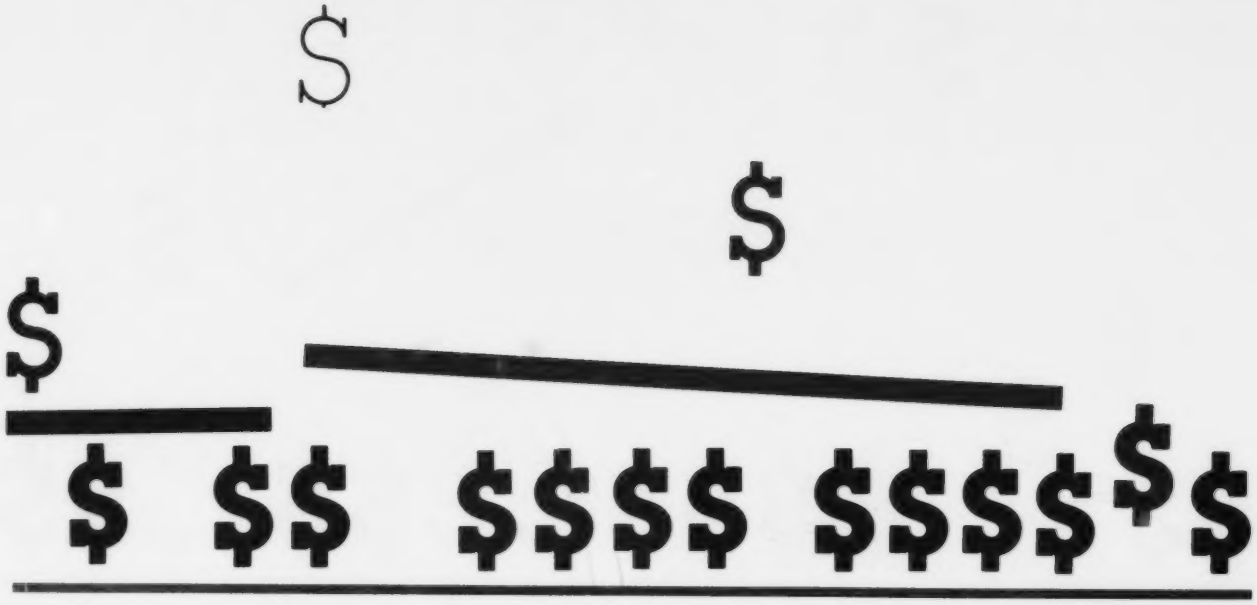
In the past, agencies providing goods or services to non-government customers have paid little attention to collection terms. Contracts should be negotiated aggressively, with payment due within thirty days of the receipt of the invoice, which is the commercial standard. To enforce these terms, a late collection penalty requirement should be included.

Courier Service

This method is used for very large payments or when other methods such as wire transfers are not feasible. If a large payment is mailed to an agency, each day in transit represents a day's possible interest lost. Depending on the individual case, the cost of courier service may be outweighed by the additional interest that could be earned.

Receivable Follow-up

While timely billing procedures are essential, the task is not complete until collection has been made and receipts deposited. Agency information systems must be capable of pinpointing overdue accounts and firm action should be taken to collect the identified accounts. Too often, agencies take the "simpler" approach of writing the account off as a bad debt.



Deposits

Deposits with the Treasury must also be timely. Treasury Department regulations now require that agency receipts of $1,000 or more be deposited daily. Lesser amounts may be deposited weekly. To meet this requirement, most agencies will have to change the present practice of holding checks until the recording process is complete.

How to Accelerate Deposits

Lockboxes
Normally, when collections are received by an agency, the amount of the check is verified, the proper accounts are updated, and finally, the check is deposited. Under the lockbox approach, payments are mailed directly to a bank. The bank verifies the amount of the check to the recipient's account, and then forwards the paperwork to the recipient for accounting and record-keeping purposes. Although this technique reduces processing delays, its cost may be prohibitive in some cases. Agencies must consider the average amount of payments received to determine whether the additional interest exceeds bank charges for lockbox service.

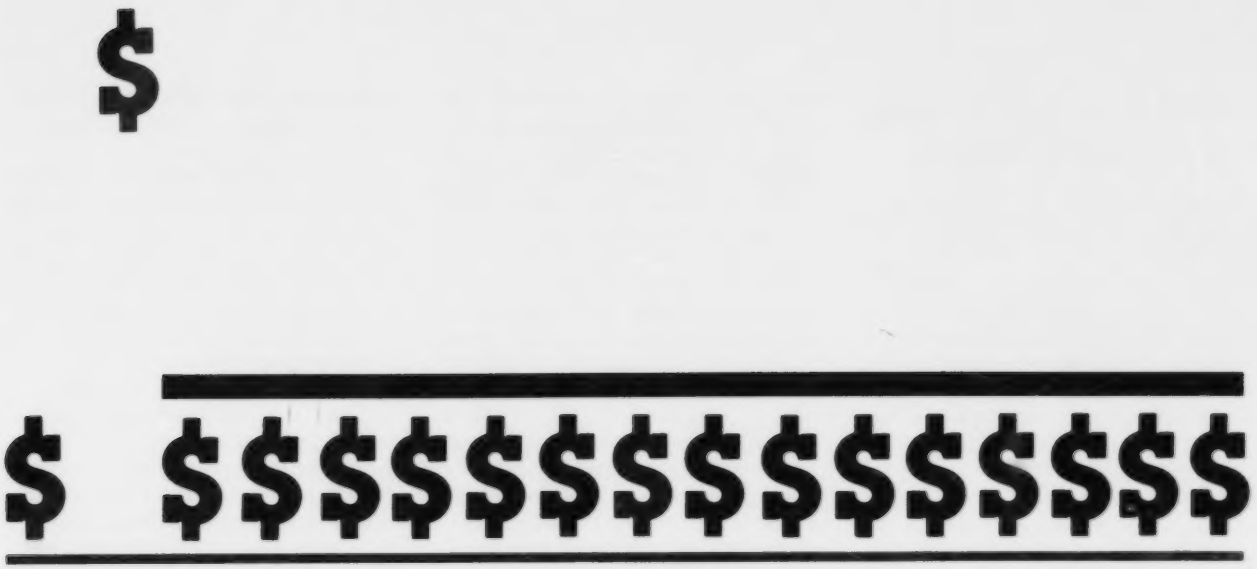
Disbursements

Disbursements of cash from the U.S. Treasury constitute the largest area needing cash management improvement. Effective cash management dictates that all bills be paid on time *but not early*. Paying bills early reduces the Treasury cash position unnecessarily and creates an avoidable interest cost. A report by the General Accounting Office determined that 45% of a representative sample of executive agency invoices were paid early; 19% were paid 15 days before they were due. Projecting to total government-wide procurements, GAO estimated that at least $118 million in interest was lost by paying bills prior to the due date.

Techniques Used to Control Disbursements

Tickler Files
This simple bookkeeping device is used to schedule payments so that they are paid on time but not before they are due. As bills are received, they are simply filed according to the date they must be processed to meet the due date, giving full consideration to discount periods. Files are reviewed daily and payments made based on these scheduled dates.

Letters of Credit
The letter of credit, most often used to fund grants, limits disbursements to the amount actually needed to cover recipient expenses. Rather than disburse the entire amount of the grant award, a letter of credit allows grantees to draw funds as needed to cover actual program expenses. In this way, the cash amount of the award is held by Treasury until actually needed by the grantee, thus increasing the cash position of the Treasury.



Progress Payment Holdbacks
In many procurement actions, periodic payments are made to the contractor as portions of the work are completed. It is not uncommon to hold back a portion of the periodic amount due until completion of the entire contract. Although several reasons exist for this practice, it represents an effective means of strengthening the cash position of the Treasury. Essentially, any action which delays the disbursement of cash from the Treasury (and is legal, ethical, and prudent) is a good technique of cash management.

Aggressively Negotiated Payment Terms
Federal procurement policy prohibits advance payments for goods and services unless special circumstances dictate otherwise. Accordingly, contracts should identify payment dates subsequent to the delivery dates specified in the contracts. Payment terms proposed by competing contractors, including discounts, should be evaluated in light of the time value of money. As a rule of thumb, any terms offering less than a ½% discount if paid in 10 days is not advantageous to the Federal government.

Minimize Prepayments, Advances, and Cash Held at Personal Risk
In most situations, cash is disbursed in payment for goods or services rendered. However, other disbursements such as travel advances, imprest funds (sometimes called "petty cash", although the amounts are not always petty) and prepayments are made before services are rendered. Prepayments should be strictly managed. For example, travel advances should not be disbursed before actually needed by the traveller and once the travel is complete, any excess advance should be quickly collected. Imprest funds and other prepayments should be maintained at the minimum actually needed.

These relatively simple cash management improvements can save the Government sizeable sums of money. The common argument that there is no incentive for managers to become better cash managers is overworked. An incentive certainly exists. As custodians of the taxpayer's money, we are responsible for using it wisely and efficiently. Given today's economic crunch and resulting tight budgets we should be more than eager to use the techniques available. It is not an overstatement to say that, as taxpayers, we should guard the government's money as if it were our own. It is.

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Better is the Enemy of Good Enough

By Ambrose Klotz

It is said that above the door to the office of Serger G. Gorshkov, Deputy Minister of Defense, Commander in Chief, Admiral of the Fleet, USSR, is a sign that reads "Better is the Enemy of Good Enough." It makes a good point: the Soviets are building a Navy good enough to do its assigned job, and apparently have a deliberate policy to avoid designs that are better than they need to be. No informed person questions that the Soviets have a very fine Navy indeed.

In many applications the Federal personnel process is better than it needs to be. It is now so sophisticated that it appears to many managers that we've become dedicated to doing personnel things not only well, but exceedingly well. It often appears that the objective of getting qualified people in necessary positions is less important than doing so correctly, under procedures that are better than they need to be.

There appear to be three reasons for the state we've reached: misplaced professionalism, abrogation of responsibility, and misdirected regulation.

Misplaced Professionalism

Behavioral scientists have demonstrated without question that one characteristic of "the professional approach" is ego involvement in one's work. The real professional gets satisfaction out of doing a good job, and gets more satisfaction out of doing an even better job. We can find abundant evidence in the "improvements"— (read "increasingly demanding processes") in the functions of budgeting, logistics, law, automative design, etc..

Personnelists in the pursuit of excellence should, of course, try to improve the processes of their occupation. However, changes in the personnel process should not be made if they are better than they need to be. The objective is still to get qualified people in necessary jobs. If a merit promotion or staffing process requires four, six, eight, or ten months to routinely fill necessary positions, the process is better than it needs to be, at least for *most* of the positions that need to be filled. While clinically superb processes may be appropriate for a select few jobs, it's a mistake and a disservice to mission achievement to routinely apply them to all cases.

Abrogation of Responsibility

It is generally acknowledged that personnel management is largely the line managers' responsibility. However, as the processes become more demanding, many managers do not feel that they have the time to devote to additional personnel functions. If this happens, the competent personnelist will surely fill the void—and want to do the best job possible.

In a way we should be thankful that our personnel staffs are so oriented, but if our personnelists do that in excess, they will be thwarting one of the basic objectives of the Civil Service Reform Act, which is to put personnel management back in the line managers' hands.

Misdirected Regulation

Often when confronted by a requirement that makes little sense, the manager is told ". . . but it's in the regulations . . ." If one takes the trouble to research the regulation, one usually finds that it does indeed say exactly what the personnelist says it says. Less often, but still frequently enough to be significant, one finds that the regulation doesn't say exactly that, but must be interpreted in its application to a given situation.

In the first instance, one must wonder why anyone would issue a regulation that doesn't make sense in a legitimate personnel action. Some such situations might result when a personnelist who is authorized to develop and issue rules has (rightly) decided that it would be clinically better personnel management to do things a certain way, and has issued an appropriate instruction—even if the requirement is better than it needs to be. This is simply the ultimate degree of the occupational tendency to "improve."

A strong second explanation is the tendency to close loop-holes. It is likely, in an employee population of two million, that any privilege or prerogative that could be abused will be abused. Most honorable people find the abuse offensive, and if privileged to write regulations related to the process, are inclined to close the loop-holes. The result is less flexibility for the honorable and responsible manager. The cumulative effect of this is a system that is touted as being highly flexible but is perceived as being unreasonably rigid.

Even where regulations allow for interpretation, the general tendency is to interpret conservatively. That's quite understandable. New avenues of appeal, grievance, and complaint are opening to employees, and as a society, we seem to be becoming more litigious. It seems to be the safest course to pursue an arduous administrative process in order to minimize the probability of an individual's complaint.

"At a Price We Can Afford"

We ought to frequently insert the phrase "at a price we can afford" in our policy statements, and develop our implementing procedures around that modified meaning. "Price" means not only dollar costs, but impacts on motivation, timeliness, human reactions such as loyalty and frustration, and the whole spectrum of operating environments. There isn't any question that we want the very best possible personnel management system, but we want the system at a price we can afford. Example: Crediting plans are a fine asset in the personnel procedures tool chest. A disciplined analysis of required knowledges, skills, abilities, and personal characteristics is excellent preparation for consideration of candidates. When "KSAPs" are considered in relation to the various levels of each that candidates might present, crediting plans become even more valuable. Selection procedures of this sophistication are overkill for many staffing decisions, however.

When an individual, by serious application, study, and self-development in the Horatio Alger tradition, creates a promotion potential that didn't exist before, it is counterproductive to require that this opportunity be advertised to all, forcing the individual who created it to compete. The intended mobility of Senior Executive Service employees is thwarted when inordinate paperwork requirements are attached to the reassignment process. It's wasteful to advertise for any of several reasons a vacancy intended to be filled by reassignment at the same grade.

It does no good to try to reduce staffing paperwork by generalized occupational vacancy announcements if the local interpretation of OPM's Uniform Guidelines on Employee Selection Procedures is that crediting plans must be based on the unique duties of each individual position, which cannot be reflected in generalized announcements. If "the system" limits temporary details to 120 days, "the system" should be able to fill the job on a permanent basis within that time frame. In many cases it takes longer, the manager then having the choice of doing something dumb or illegal. The Federal manager is confronted by these and similar non-productive paperwork and procedural requirements at almost every step in the personnel process.

I believe our personnel system is pricing itself out of utility. Other operating managers believe so also, but there is no effective forum in which to make this point. The intent of the Civil Service Reform Act was just that: reform, not reform*at* of existing arduous practices. At the grass-roots level of day-to-day personnel processes, however, that's exactly what seems to be happening.

This is not a condemnation of staff personnel administrators. For the most part, they are competent, hard-working people trying to do a job within the confines of a system that in many respects is an administrative nightmare. But the natural processes tend to make the personnel function more and more demanding, to the detriment of its objectives. Unless deliberate action is taken this undesirable trend will continue. The Civil Service Reform Act represents an opportunity—indeed, a mandate—for such deliberate action, but full exploitation of that opportunity is not apparent. Agency managers are not challenging unreasonable requirements; there appears to be no effective channel to do so.

A number of corrective options come to mind. Personnel processes and procedures should be subjected to hard scrutiny for necessity, as distinguished from desirability. Whenever a proposal, process or procedure is better than good enough, the incremental cost (money, time, staff, facilities) of the "nice-to-have" improvement should be identified, and a decision made as to its worth.

Similarly, when higher echelons (including OPM) propose or issue improvements that will result in incremental costs, and managers believe the benefit is not worth the cost, the improvement should be challenged. At least the opportunity for such dialogue should be presented to the people expected to carry the added burden.

At the agency level, the formation of personnel policy should be removed from staff personnel offices. A standing advisory group composed entirely of line managers, with rotating membership, should consider all major personnel policies. The chief staff personnelist should present to this managerial group the options available when there is opportunity for policy selection or direction. Each alternative should be presented with a discussion of related considerations. The chief staff personnelist might recommend which alternative is preferred, but the management group should recommend to the agency head which policy should be adopted. Such action would surely put personnel management back in the hands of line managers, as intended by the Civil Service Reform Act, familiarize managers with options they now are unaware of, and make known to personnelists when they are doing a job better than it needs to be done.

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Manager's Reading Digest

Evaluating Women's Work

Federally employed women should benefit from the more specifically job-related performance appraisal systems being introduced in government agencies.

The reason: male managers are more likely to underestimate a woman's on-the-job performance in the absence of specific information about what she has accomplished. According to Veronica F. Nieva and Barbara A. Gutek ("Sex Effects on Evaluation," *Academy of Management Review,* April 1980), the less detailed information managers have at their disposal, the more readily they fall back on inaccurate stereotypes of how women employees perform. Without precise evidence to the contrary, women are still commonly considered less capable than equally qualified men. A woman's successes are likely to be attributed to luck, rather than to skill. Bias is especially pronounced against women highly qualified in their chosen fields and women who have entered traditionally male occupations.

Fortunately, the reverse of this phenomenon also holds true: the more a manager knows about a woman's on-the-job performance, the less stereotyping occurs. Nieva and Gutek suggest that organizations take special care to clarify objectives and task responsibilities and to develop appraisal methods that focus on job-relevant behavior. They also advise women to make sure that their work is clearly visible to others.

Success and the Handicapped Worker

Of over 11 million Americans of working age classified as handicapped, some 58 percent are jobless, as compared to 41 percent of the total adult population. In spite of recent affirmative action programs on behalf of the handicapped, many employers still believe that handicapped workers can't perform as effectively as their non-handicapped counterparts.

An article in the March 1980 issue of the *Academy of Management Journal* ("An Analysis of the Relative Job Progession of the Perceptibly Physically Handicapped") puts this widespread bias to the test. Authors Ray B. Bressler and A. Wayne Lacy researched the careers of 808 handicapped male Caucasian employees of the U.S. Air Force Logistics Command. They chose a Federal work site for the study because the Federal government has a relatively good record as an unbiased employer of handicapped persons.

To see how handicapped and non-handicapped employees compared, Bressler and Lacy investigated seven aspects of job performance: promotion rate, performance rating, salary attained, awards rate, suggestions approved rate, educational advancement rate, sick leave rate, and tenure.

The study concludes that there are few overall differences between the handicapped and non-handicapped in career progression and contribution, given a non-discriminatory work environment. In fact, the handicapped employees showed a slightly higher level of educational advancement and a greater number of suggestions approved. They also stayed on their jobs longer. Employees with orthopoedic handicaps, however, earned somewhat lower salaries, received fewer awards, and used slightly more sick leave than the visually handicapped, the hearing or speech impaired, or the non-handicapped. Bressler and Lacy suggest that prejudice, coupled with the high visibility typical of orthopoedic handicaps, may account for this finding.

Creative Conflict

Organizations, like marriages, can often be improved if the parties involved learn how to fight constructively. George H. Labovitz, in an article entitled "Managing Conflict" (*Business Horizons,* June 1980), claims that managers too often suppress organizational conflict when they could be harnassing its creative potential.

Most managers, according to Labovitz, regard conflict as basically destructive. To resolve problems while minimizing conflict, they create either win-lose situations (in which the loser is frustrated) or compromises (in which both parties feel only partially satisfied—at best). Either way, conflicts tend to become personalized, positions polarized, and genuine solutions are lost in an atmosphere of mounting hostility.

How can managers make the most out of in-house disagreement? Confront the problem positively, Labovitz advises. Determine—and depersonalize—basic issues by relating them to organizational goals which transcend partisan objectives. Above all, don't talk in terms of specific solutions until the problem has been accurately identified. Too often, the pros and cons of premature solutions become the focus of debate, while the search for possibly better solutions is abandoned. A well stated problem will suggest its own solutions; a badly stated problem is likely to remain just that—a problem.

In ushering subordinates through the process of confrontation, the wise manager acts as a referee, interviewing differing parties privately and then bringing them together on neutral turf at a well-chosen moment. Managers should remember always to encourage differences as potential sources of new ideas—as opportunities for brainstorming, not backbiting.

A Portrait of Managerial Excellence

What does it really take to manage an organization successfully? Sophisticated techniques such as zero-based budgeting or management by objectives? Staffers with shiny new MBA's? Computers which are, for a while at least, the last word in modern technology?

Probably none of the above, according to McKinsey & Co., a management consulting firm which recently studied 37 well-run companies to discover what their management practices had in common. McKinsey's results, reported in the July 21, 1980 issue of *Business Week* ("Putting Excellence into Management"), suggest that simplicity is a major management virtue. Effective policies keep organizational structures, strategies, goals, and communications as uncluttered as possible.

The best managers, McKinsey discovered, think

"We need civil servants who are both servants and civil." Anonymous executive

"If a man has common sense, he has all the sense there is." Sam Rayburn

for themselves rather than rely on formulas devised by others. Their management styles are strongly biased towards action rather than prolonged analysis. They are willing to experiment and take risks. To remain flexible and open to change, they prefer to work with lean staffs organized into small, manageable units.

When faced with the task of improving productivity, successful managers regard people, rather than technology, as the key element. They make every effort to motivate subordinates by recognizing and rewarding outstanding performance and by instilling team spirit among employees who work together. To encourage entrepreneurship, they give their people as much operational autonomy as possible. Although it may sound like a contradiction in terms, the most effectively managed organizations apply simultaneously loose and tight controls—that is, managers watchdog certain basic corporate activities while allowing autonomy in others so as not to destroy employees' initiative.

The savvy manager, in directing the efforts of subordinates, is once again guided by the rule of simplicity. Rather than risk confusing employees by emphasizing too many things at once, successful managers consistently and enthusiastically stress one key business value, whether it be team spirit, innovation, quality control, etc. They establish a central theme or goal around which employees can rally. Similarly, the activities of the company are never spread too thin. Sound management practice dictates that a company identify its fundamental strengths and build on them.

Last but not least, effective managers adhere faithfully to what is perhaps the most fundamental principle of all: service. They are almost fanatical about maintaining close contact with customers. As the McKenzie & Co. report points out, no amount of product innovation, advanced technology, or management theory can take the place of service to clients as the touchstone of successful management practice.

Race Relations in Management

Few people will argue with the proposition that at least limited progress has been made in opening the ranks of business and government management to qualified members of racial minorities. However, it is unclear how managers themselves, both white and minority, assess the degree of progress and how each group feels about the other as co-workers and competitors.

In order to learn more about race relations among managers, Clayton P. Alderfer, Charleen J. Alderfer, Leota Tucker, and Robert Tucker conducted an exhaustive series of confidential interviews with managers in a large unnamed American corporation with a history of progressive actions in race relations. The resulting study, published in an article entitled "Diagnosing Race Relations in Management" (*Journal of Applied Behavioral Sciences*, April-June 1980), has important implications for any organization in which minority members (in this case black) and whites share management responsibilities.

The researchers interviewed 676 lower, middle, and upper level managers, white and black, of both sexes. In general, they found that perceptions of race relations in the workplace differed markedly. Although both black and white managers agreed that hiring should be based on merit, 51 percent of the white managers felt that unqualified blacks are often hired just to fill quotas.

Perceptions of promotion policy also varied widely: over ten times the proportion of whites compared to blacks believed that blacks get promoted even if they are doing a mediocre job. A high percentage of the black managers interviewed, on the other hand, believed that blacks are less well trained for promotions than whites, that whites do not share career information with blacks, and that whites are promoted more rapidly than equally qualified blacks. They also felt that blacks are given assignments with the expectation of failure and that failure on the part of a black employee is regarded as a racial issue, while failure by a white employee is considered an individual issue. Almost two-thirds of the black managers interviewed believed that their performances were unfairly evaluated and that they had to work harder than their white counterparts to prove themselves.

The picture which emerges from the study is one of two informally separate and closed groups, each regarding the other as possessing unfair advantages. The researchers suggest there is a pattern of "white blindness to racial dynamics as perceived by blacks," with whites regarding racial relations in the company as far more equitable than blacks and yet being less willing than blacks to discuss racial issues openly. Whites tend to think that less enforcement of affirmative action would be a good thing; blacks feel just the opposite. The study makes it clear that although progress in race relations may be undeniable, there is always room for more of it—and for greater communication and understanding between the groups involved.

"In management thirty years experience does not count for much if it merely means ten times three of the same experience."

Neil J. McKinnon, Chairman, Canadian Imperial Bank of Commerce

Secrets of Being a Better Listener

Interview with Lyman K. Steil, an Authority on Communication

People spend far more time listening than in reading, writing or talking. Yet few know how to really hear what's being said and evaluate the message. An expert tells how to sharpen listening skills.

Q. Dr. Steil, are people who are poor listeners a costly thing for business—and for the public in general?

A. Yes. With more than 100 million workers in this country, a simple $10 mistake by each of them, as a result of poor listening, would add up to a cost of a billion dollars. And most people make numerous listening mistakes every week.

Because of listening mistakes, letters have to be retyped, appointments rescheduled, shipments rerouted. Productivity is affected and profits suffer.

Look at some of today's breakdowns in labor-management relations. Often you'll hear workers say: "Management isn't listening to us, so we'll fix them. We'll go on strike."

I'm convinced that a great many of the 3 million or more divorces in this country each year are related to the inability or the unwillingness of one or both partners to listen.

At its worst, bad listening can result in people being injured or killed. The sinking of the Titanic, Pearl Harbor, the Jonestown, Guyana incident and some recent airplane disasters are classic examples of a breakdown in communication and in judgment. A message was sent, and listening broke down.

On an airplane recently, I talked with the president of a small company. I asked whether his firm had experienced any problems because of his employees' inability or failure to listen.

The man's eyebrows went up, and he told how the company had recently lost a million-dollar sale. "Two of my employees were involved," he said. "One didn't hear the important message at all, and the other one misinterpreted it. The upshot was that we lost out on a bid that we should have won hands down."

Q. What do you mean when you talk about "good" or "poor" listening?

A. It's more than merely *hearing* what someone else is saying. There are three other important components: *Interpretation* of what's said, which leads to understanding or misunderstanding; *evaluation*, which involves weighing the information and deciding how to use it, and, finally, *responding*, based on what was heard, understood and evaluated.

When all four stages are taken together, our research indicates, people on average listen at an effective rate of only about 25 percent.

8 Tips for Better Listening

1. Resist distractions. Concentrate on what is being said.

Q. Is the ability to listen a trait that people are born with?

A. No. It's not inherent. It's learned behavior. It has to be taught. When we come into this world, we don't have built-in knowledge of how to listen well. That must be developed. And, unfortunately, it is not systematically developed well in our school systems. We teach reading, writing, speaking and numerous other abilities, but not listening.

Q. Is that why you consider most people poor listeners?

A. Yes. They simply haven't been taught to listen well. Individuals spend 80 percent of their waking hours communicating in one way or another. Of that time, about 45 percent is spent listening. But the focus in our educational programs is upside down. We spend the greatest amount of time teaching people to do what they spend the least time doing—writing. And we spend the least amount of time teaching them what they do most in life—listening.

It's lamentable because listening is much more complex than reading. What we read is locked on the printed page. If people are distracted, they can put aside their reading and return to it later. If they don't understand the message right off, they have the means to repeat it. But in listening, the

2. Be an opportunist. Find areas of interest between you and the speaker. Ask yourself: "What's in this for me?"

3. Stay alert. Don't daydream if a speaker's delivery is slow. If your thoughts run ahead of his words, use the time to evaluate, anticipate, review.

4. Identify the speaker's purpose and adapt to it. Is the aim to inform, to persuade or to entertain?

message is written on the wind. It's transient. If we don't get the message the first time, there's usually no going back.

Q. Are school systems beginning to introduce courses in listening?

A. Yes, gradually. Until 1978, the basic competencies listed as determinants of literacy in this country were reading, writing and arithmetic. Then in 1978, the Primary-Secondary Education Act was amended, and two more competencies were added: Speaking and listening.

Unfortunately, there's a factor of realism that we have to recognize: Passing a law is one thing. Actually getting it implemented in school systems is something else. But schools ranging from New York State to Oregon and Minnesota to the Deep South are teaching listening. However, these programs are the exception and few in number.

Q. How do you convince people that a listening course isn't a sort of transitory thing—like a course in speed reading or memory improvement that may be used for a period of time, then dropped?

A. You have to make it clear that listening is the predominant communication activity that we engage in day after day throughout a lifetime. It's at the heart of our success, whether in the family, in society, in business, in government, in international affairs. And it must be taught in a systematic and focused manner.

Q. In your opinion, how important is listening for managers?

A. The higher one advances in management, the more critical listening ability and skill become. The most common problems in business arise when management doesn't listen to something that their workers are trying to tell them.

In a recent study of the abilities managers considered to be most critical for their managerial success, they rated listening as the No. 1, most important competency to be developed. But, again, as most managers have not been taught how to listen well, they don't necessarily perform well.

Like others, managers often don't hear the messages of others—they're busy, preoccupied, distracted, etc.; or they misunderstand others—due to their expectations, preconceived notions, experiences, special perspectives, etc.; or they misevaluate or fail to respond to the messages of others.

Of course, these listening problems are not limited to managers, but they are of special concern to managers, due to the nature of the management task.

Most important, thousands of managers are recognizing this critical need and are working at improving their listening skills.

Q. How can people tell whether they need to improve their listening?

A. It's not hard to show that individuals don't listen well, but we have to deal initially with an attitude of skepticism. Often a person will say: "Yes, I know a lot of people who need this kind of enhancement, but not me."

Prior to testing, we ask people to rate themselves as a listener, using a scale of 0 to 100. Most individuals give themselves a rating at the outset of about 55. None say they're superior, but neither do any say they're poor. They're all clustered in the average area. We then ask whether they think a rating of 55 out of 100 is good enough, and most answer, "Of course not."

We also challenge people to listen to short-duration messages as intently as possible. At the end of these messages, we ask questions to determine to what extent they were able to make proper judgments and respond.

These exercises prove very quickly that the typical person is not as good a listener as first thought.

The process is like exercising muscles. If we haven't been trained to listen productively or effectively, we cannot turn on our listening any

5. Listen for central themes rather than for isolated facts.

6. Plan to report the content of a message to someone within 8 hours.

7. Develop notetaking skills.

8. As a listener, take primary responsibility for the success of two-way communication. Don't just depend upon the other person.

more than we can say: "I'm going to run 10 miles today even though I've never exercised a muscle."

Q. Do people show improvement after completing a course in listening?

A. Yes. With the proper training, listening is improved. More than 85 percent of participants in professionally developed programs show significant measured improvement through training.

With extended, focused training, some participants more than double the listening efficiency and effectiveness. Listening can be improved with focused training and exercise.

Q. How do you teach people to listen better?

A. It's done specifically and directly—the same way math, reading or physical education is taught. The most effective programs involve groups of people led by a trained instructor, using tests and listening exercises.

A common approach to our courses includes: No. 1, developing the nature, role, importance, problems and costs of listening; No. 2, aiding each participant in analyzing his or her strengths and limitations in listening; No. 3, teaching, through practice, each individual how to develop specific skills and behaviors related to good listening, and eliminate behaviors related to poor listening.

The development and elimination of these behaviors are complex and require focused direction, effort and practice. But they can be accomplished and are certainly worth the effort.

Q. Are companies increasingly giving listening courses to people at the management level?

A. Yes. The primary example is Sperry Corporation's revolutionary effort in developing the listening skills of their entire corporate body.

Hundreds of other companies, large to small, are focusing to some degree on developing this important skill. Some do it as part of a sales-training program, others as a separate group project. But it's still hard to convince many executives that they can see the results of a listening course on the bottom line of the profit-and-loss statement.

Let's go back to that company whose president I met on the plane. I asked him: "Knowing that you lost a million-dollar order as a result of poor listening, would you be willing to spend, say, $100,000 over a period of time to develop your employees' listening ability?" His response was typical: "I'm not sure."

So although there has been much gain in developing listening skills since Dr. Ralph G. Nichols's pioneering work at the University of Minnesota more than three decades ago, listening development is still a relatively new phenomenon. But it's something that I'm convinced is going to grow and spread as people realize its importance.

We can improve our listening, and the benefits far outweigh the cost.

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Cutting Injury Compensation Costs

By Raleigh Neville

Last year, Federal agencies paid out approximately $700 million in compensation payments to injured workers. At the present rate of over 30,000 new claims each year, compensation payments could very soon top $1 billion annually.

Often, when an injured employee is receiving compensation, the agency may tend to forget about him—particularly if the employee has been separated. One of the most effective ways an agency can control escalating compensation costs is to develop strong programs to keep track of its injured workers—particularly those who have not yet completely recovered, but are nevertheless able to work in some capacity—and restore them to duty. A comprehensive program that involves the Personnel Division and the agency's and Department of Labor's medical and rehabilitation staffs can monitor the employee's medical progress, arrange to have an examination if necessary, identify jobs the employee can perform, and develop a procedure for returning him to work.

The Injury Compensation Law and the Office of Personnel Management's implementing regulations provide restoration and appeal rights to injured employees as follows:

- *An agency must restore an injured employee who recovers within 1 year; it has no option.*
- *If recovery takes longer than 1 year, the agency must give the employee priority consideration for the job he left or for an equivalent position. This is accomplished by entering the employee on the agency's reemployment priority list.*
- *If the employee partially recovers, the agency must "make every effort" to restore him. To assist agency efforts in this area and achieve the greatest benefit, OPM changed its restoration-to-duty regulations last year to require agencies to consider partially recovered employees without regard to how long they had been injured, or even whether they were still on the agency's rolls. Since the methods used to carry out this requirement were left to the agency, there is considerable latitude for an agency to develop its own program to restore injured workers.*

In all cases, qualified employees who are refused reemployment can appeal to the Merit Systems Protection Board.

Some agencies have already developed innovative programs. The U.S. Postal Service, for example, has implemented a promising nationwide plan to identify employees and former employees on its compensation rolls and match them with suitable vacancies. Because the Postal Service accounts for over 40 percent of the government's compensation costs, the savings are expected to be significant.

The Tennessee Valley Authority has also developed a comprehensive model for a handicapped affirmative action program under the Rehabilitation Act, which integrates top management, the personnel office, supervisors, medical facilities, rehabilitation training staffs, and the Department of Labor in a combined effort to place injured workers and those eligible for disability retirement.

Other agencies are also achieving notable results. One installation, Tinker Air Force Base in Oklahoma City, has developed a step by step approach to placing its injured workers, which last year saved approximately $175,000 in compensation costs. The Base hopes to do even better this year.

It is important to note that the disabled employee does not have to be placed in the position or even the occupation that he or she left. Agencies are specifically encouraged to find jobs that are within the individual's capabilities and limitations, even if they happen to be at a lower grade level. If a suitable position pays less than the employee was formerly making, the Department of Labor's Office of Workers Compensation Programs will usually make up the difference.

To illustrate how this can work: Tinker Air Force Base found that jet engine mechanics or sheetmetal workers who sustain a hearing loss due to the high noise levels in these activities can be successfully reemployed in a variety of clerical jobs or other positions that do not expose the workers to this particular occupational hazard. In the Postal Service, mail carriers who sustain back injuries and can no longer carry heavy mail sacks can be reemployed as mail sorters in a post office. Where necessary, cross training is often available. Agencies that would like more information on the specifics of these programs may contact:

Richard Bauer
Program Manager
Injury Compensation Program
475 L'Enfant Plaza West, S.W.
U.S. Postal Service
Washington, D.C. 20260

Ruth Austin
Civilian Personnel Office
Hqs. 2854th Air Base Group
Tinker Air Force Base
3000 S. Douglas Boulevard
Oklahoma City, OK. 73145

Edward F. Hilton, Jr.
Coordinator
Selective Placement
Tennessee Valley Authority
Knoxville, Tennessee 37902

Raleigh Neville is a personnel management specialist in The Office of Policy Analysis and Development, Staffing Services, OPM.

Short **Takes**

OPM Rules on "Adverse Affect"
Agency personnel actions which are not based on conduct adversely affecting on-the-job performance have been banned as discriminatory in a recent OPM policy directive.

The directive is designed to protect the constitutional rights and privacy of both government employees and candidates for government jobs. It will have a special impact on homosexuals and unmarried persons living together, since it forbids agencies to inquire into an employee's non-job-related habits or to deny an individual employment or promotion on non-job-related religious, sexual, or social grounds. Agencies must nevertheless count volunteer work performed for religious, civic, welfare, and service organizations as part of an applicant's work experience.

On-Call Employment
A new staffing plan, known as on-call employment, has been established for use in Federal agencies.

The plan allows agencies to establish pools of permanent employees who can be called up at short notice to supplement the regular work force. On-call employees are hired under career-conditional appointments and guaranteed a minimum of six months' work per year. Special flexibilities permit them to be placed in non-pay status or recalled to duty as needed. They receive full fringe benefits and are eligible for non-competitive conversion to full-time employment as such positions open up.

On-call employment is designed to help agencies handle irregular fluctuations in workload while eliminating excessive agency reliance on the use of overtime, detailing, or reductions-in-force. The plan has been successfully tested in the Departments of Defense and Commerce, which hired over 2,000 on-call employees for a variety of white and blue collar jobs. For further information, contact the Office of Policy Analysis and Development, Staffing Services, OPM, Washington, D.C. 20415 (202-632-6817).

Paper Pandemonium
Did you know that:
- the cost of preparing an average business letter is $5.59 (or $4.19 using dictation equipment)?
- an estimated one-third of the records maintained by an average business could be chucked and never missed?
- paper-saving recommendations of the Commission on Federal Paperwork saved the government $3.5 billion in a single year?

More Vets Hired
Fiscal year 1979 saw a 22 percent jump in veterans readjustment appointments (VRA's) over the previous year, with 15,785 Vietnam era veterans joining the Federal payroll.

The VRA authority allows agencies to hire disadvantaged Vietnam era veterans noncompetitively and convert them to career appointments after two years of satisfactory employment and training. Since the program's beginning in 1970, 136,000 veterans have entered the Federal workforce under VRA hiring procedures.

The Rising Cost of Benefits
The cost to management of employee benefits is rising faster than wages, according to the Bureau of Labor Statistics. This means that computations based solely on wage and salary increases could underestimate increases in total compensation costs by more than 1.5 percentage points annually.

The Bureau's finding lends support to proponents of Federal pay comparability reform, who believe that employee benefits, as well as wages, should be considered in adjusting Federal pay to pay in the private sector.

Crediting Clerical Experience
Federal policy has long held that government managers and personnel specialists should look beyond job titles and standardized job descriptions when assessing candidates for civil service positions. According to FPM Bulletin 338-14, this policy applies to candidates with clerical as well as professional backgrounds. When clerical workers compete for administrative, managerial, or specialist positions, they must be credited for non-clerical skills demonstrated on the job—even in cases where routine clerical skills, such as typing or filing, do not constitute acceptable qualifying experience. Among the non-clerical skills which a clerical worker might develop are sound judgement in solving prob-

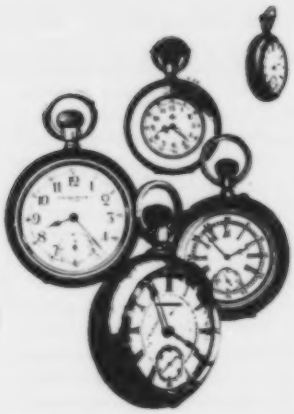
lems, experience in oral and written communication, budget and finance management, scheduling, information gathering, contact with the public, coordination of administrative and clerical services, etc.

Credit where credit is due is the key to upward mobility for deserving clerical employees. Full guidelines for evaluating clerical experience will appear in future revisions of the Handbook X-118.

Surveys Compared

Comparisons between the 1960 Brookings Survey of the image of the Federal Service and the 1979 Federal Employee Attitude Survey (FEAS)have been explored. Although the two reports actually investigated different areas, making extensive comparisons rather difficult, some points of interest were noted. As described 20 years ago, the Brookings study searched for workers' employment values and goals within both the public and private spheres. While 41% of Federal workers in 1960 were satisfied with their jobs and 16% acknowledged "job meaningfulness," a remarkable jump to 76% and 81% respectively was observed in 1979.

With regard to satisfaction with pay, the Brookings report showed that those earning higher salaries were less satisfied with their pay than those receiving lower salaries: 26% of employees in grades GS 2 to 4 were satisfied, compared to 11% in grades GS 12 and above.



Super Flex

Crompton, a New York-based manufacturer of corduroy and velveteen, has come up with probably the most flexible version of flexitime so far. Employees in the Leesburg, Alabama mill work 3 days a week, 12 hours a day and get a week off every eight weeks. Workers who complete the required 36 hours are paid for 40.

Although the schedule sounds gruelling, the employees, many of whom have small farms to tend, seem to like it. The plant boasts a labor turnover rate of only 9 percent annually, as opposed to 50 percent industry-wide, and a backlog of job applicants. Plant productivity is up, and studies show that the last few hours of the 3 day week are actually the most productive.

This version of flexitime obviously isn't for everybody, but it does show what can be accomplished by thinking creatively about specific management problems.

New Organization for Senior Federal Managers

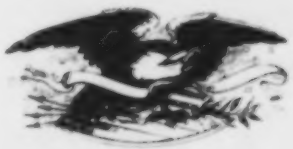
Washington, D.C.—An independent professional organization of active and retired Federal government senior executives and supergrades has been formed by a group of Internal Revenue Service senior executives.

Ted R. Kern, interim Chairman of the new organization, said the initial objective of the Senior Executives' Association (SEA) will be to "serve as an active advocate in presenting the concerns of its members to Congress, the public, and the political leaders of the Executive Branch. We will work to improve pay and benefits, including moving expenses, life insurance and per diem; and provide executive educational opportunities. The organization will assume a leadership role in promoting professional development and standing of senior Federal managers, and in emphasizing the accomplishments of senior executives in improving productivity and government operations."

The Association will establish a full-time professional staff in Washington, D.C., supported by dues paid by members of the non-profit organization. Dues are expected to be $4 per pay period with a $25 initiation fee. An interim Chairman and Board of Directors has been appointed by the incorporators to serve the Association until the election of a permanent Board can be held.

The Association's interim officers have met with OPM Director Alan K. Campbell, who commented: "I am extremely pleased with the formation of the Senior Executives' Association. I attach particular importance to the contribution this organization can make towards improving the professionalism of public management. And, senior executives need an organization like this to voice their concerns and advance their viewpoint. I recognize that such an organization may take positions contrary to OPM's on occasion. However, there are many areas where mutual efforts toward common goals will be beneficial to both the Association and OPM. I predict this will be a very important organization and I look forward to working with SEA."

For more information, contact:
Senior Executives' Association, Inc.
P.O. Box 7610
Ben Franklin Station
Washington, D.C. 20224



Legislation

SES Bonuses Saved

The credibility and continued success of the Civil Service Reform Act were given a boost recently when Congress voted not to restrict the amount of bonuses payable to individual Senior Executive Service members. Bonus payments were limited to 25% of SES members, however, rather than the 50% authorized by CSRA. The provision as adopted is a substantial improvement over an earlier proposal being considered which would have limited the aggregate pay of SES members to $52,750 per year.

The possibility of such limitations arose during consideration of FY '80 and FY '81 Appropriations bills.

The earlier proposals to limit performance awards for SES members would have nullified the incentive for greater excellence from Federal managers which the Congress sought to achieve through the Reform Act's pay-for-performance provision. Equally important, a major limitation on SES compensation could have been interpreted as a breach of faith by the Congress in keeping its reform promises.

Following the Congressional action, the Office of Personnel Management issued guidance to agencies with respect to awarding SES bonuses. OPM directed that agencies should "generally limit bonuses to 20% of the eligible career employees," citing "strong Congressional concern that the 25% figure is to be a limit, not the norm."

Additional major provisions of the guidance dealt with the distribution of bonuses, the suggested use of outside review panels, and a requirement that an agency's schedule for awarding bonuses be published in the Federal Register.

Quadrennial Commission on Salaries

The Commission on Executive, Legislative, and Judicial Salaries for FY 1981—better known as the "quadrennial commission"—has begun its work. It will review the salary rates for top officials in the executive, legislative, and judicial branches of the government, and recommend appropriate changes in these salary rates to the President. In January, after reviewing the Commission's recommendations, the President is expected to send his own recommendations on new salary rates to Congress with his budget message. The rates recommended by the President will become effective if they are approved by both the Senate and the House.

When the quadrennial commission makes its review of the government's executive pay situation, it may find that repeated limitations on executive pay adjustments have had a serious effect on the recruitment and retention of talented people to manage the government's programs. The Government Accounting Office has been looking at this issue and has found that agencies are having great difficulties in attracting well-qualified people from outside the government while at the same time they are seeing many of their best executives retire or leave for higher-paying jobs in the private sector. In a period of high inflation, the combination of frozen pay and cost-of-living adjustments in annuities makes retirement very attractive.

Since early 1969, Executive Schedule salaries have increased by an average of only 35%, while the Consumer Price Index has gone up 125%, General Schedule salaries have gone up more than 100%, and private sector executive salaries have gone up nearly 140%. The purchasing power of executive level I salaries has dropped nearly 50% since 1969, and for salaries at the level V ceiling, there has been a drop of nearly 40% in real income. There has been only one executive pay increase since early 1977, an increase last fall of 5.5% for executives while other employees got 7%.

These considerations may lead the quadrennial commission to recommend substantial executive pay increases. However, the Administration and the Congress are committed to a policy of fiscal restraint, and these concerns led the President to recommend that an executive pay increase schedule for October 1980 not be granted. In reviewing the recommendations of the commission, the President will have to consider a host of economic issues and balance them against the continuing need to attract and retain the best people available to serve in the government.

Beyond the basic issue of new salary rates, the quadrennial commission may also look at some of the major issues that underlie any long-range solution to the executive pay problem, such as an examination of the procedures for setting and adjusting pay for top government officials and the very difficult issue of the linkage between Congressional and executive pay.

Pending Legislation

Two bills of particular interest to Federal employees are awaiting action by the Congress.

H.R. 7072 would increase the per diem and mileage reimbursement to government employees while traveling on official business. Per diem expense reimbursement would increase from $35 per day to $50 and the "actual expense reimbursement" for travel to certain designated high cost areas would increase from $50 to $75 per day. Mileage reimbursement for use of private vehicles for government business would increase from .20 to .33 per mile. As we go to press, the House has already passed this measure and the Senate Governmental Affairs Committee has "marked up" the bill.

H.R. 3448 to modify the Federal Employees Group Life Insurance program may receive favorable consideration before the 96th Congress ends. A provision of this bill would liberalize government employees' life insurance benefits by allowing additional elective coverage at no cost to the Federal government.

Information on legislation of interest to managers and supervisors is prepared by the Office of Congressional Relations, OPM.

Federal Managers Can Be Personally Sued for Constitutional Rights Violation

The United States Supreme Court recently issued a decision concerning personal damage actions against Federal officials. In *Carlson* v. *Green*, the Court held that a Federal official may be personally sued for an alleged violation of an individual's constitutional rights, even though an alternative administrative remedy exists to redress the injury suffered by the individual.

In *Carlson*, the mother of an inmate who had died while in prison brought an individual damage action against Federal prison officials claiming that they had provided grossly inadequate medical care for her son. This claim could have been brought against the United States under the Federal Tort Claims Act (FTCA). However, the Court held that the existence of an alternative administrative remedy did not preclude a personal liability action because: (1) a personal damage lawsuit affords greater relief than that afforded under the FTCA; (2) the threat of personal liability would discourage Federal officials from engaging in unconstitutional conduct; and (3) Congress never indicated that it intended the FTCA to be an exclusive remedy.

The Court's decision is important for Federal managers, particularly in light of the increased number of personal damage actions which are being brought against supervisors and managers. Before the *Carlson* decision, the Court had intimated that the existence of an *adequate* administrative remedy was sufficient to preclude individual liability lawsuits against Federal officials (*Davis* v. *Passman*, 1979). Therefore, because employees could appeal actions under the Civil Service Reform Act (CSRA), it appeared that they would be unable to bring personal damage actions against their supervisors. However, the *Carlson* decision indicates that the available administrative process must be the *exclusive* remedy. Thus, it is far from clear whether the appeals procedure provided by the CSRA will protect managers from potential personal liability.

"It is far from clear whether the appeals procedure provided by the CSRA will protect managers from potential personal liability."

Indeed, shortly after its decision, the Court applied *Carlson* to a personnel case involving a personal liability claim. In *Bush* v. *Lucas*, a NASA employee alleged that he was demoted in retaliation for public statements he had made impugning the efficiency of the Marshall Space Flight Center. He attempted to bring a personal damage action against the Director of the Center. The Court of Appeals, citing Supreme Court decisions issued prior to *Carlson*, particularly *Davis* v. *Passman*, held that Bush had an adequate remedy against the United States under civil service appeal statutes. Therefore, the Court dismissed the individual claim against the Director. Bush appealed to the Supreme Court and, on April 29,1980, it vacated the Court of Appeals decision and remanded the matter to the lower court for "further consideration in light of *Carlson* v. *Green*."

The major issue to be resolved is whether the CSRA itself provides the exclusive remedy for employees who claim that they have been disciplined in violation of their constitutional rights. It may be argued that, with the creation of the Special Counsel, an individual lawsuit is not necessary to satisfy the policy considerations outlined by the Court in *Carlson*. The Special Counsel has the authority to investigate allegations of constitutional violations and to recommend corrective action. If the agency does not adopt the corrective action, the Special Counsel may bring the matter before the Merit Systems Protection Board. The Board may order the agency to take corrective action, including reinstatement, back pay, and any other relief necessary to remedy the injury suffered by the employee. Thus, an employee who claims to have been disciplined in violation of his or her constitutional rights can obtain meaningful "make-whole" relief without resort to a personal damage action.

The Special Counsel also has the authority to institute disciplinary actions and levy fines against managers who are responsible for improper actions. Therefore, the CSRA should also deter supervisors and managers from taking unconstitutional actions.

Although the Reform Act affords meaningful relief to injured employees and, at the same time, deters managers from taking improper actions, nothing in the Act indicates that Congress intended it to be the exclusive remedy. Indeed, the Special Counsel's authority to investigate employee complaints is discretionary and therefore it is unlikely to be held the exclusive avenue of relief. *Carlson* v. *Green*, No. 78-1261 (April 22, 1980).

In Brief, a regular summary of news on legal matters of interest to government managers, is prepared by Margery Waxman, General Counsel, OPM.

State & Local Notes

This article is part of a continuing series on State and local government personnel management reform. Many of the personnel improvement efforts include provisions similar to the Federal Civil Service Reform Act of 1978.

State Update

Arizona: (1) The State, under an IPA grant, started a pilot computerized personnel records system. (2) The Governor's Merit System Review Commission recommended establishing a State career executive service.
Arkansas: The Cabinet-level subcommittee on Pay Administration made eleven recommendations including remedying pay compression, allowing for a performance based pay administration, establishing pay comparability, and allowing flexibility in setting hiring level pay.
California: State government officials, legislative staff and local government officials will be trained to assess the administrative and financial impact on local governments of Federal and State mandated programs. This project, partially funded by an IPA grant, will produce a training handbook to promote transferability.
Colorado: The State Auditor will begin audits of the Department of Personnel, covering the effects of regulation operating in the public interest, economy and efficiency of operation, effectiveness of incentive systems, selection procedures, and staffing levels change as a result of decentralization.
Florida: The State Legislature authorized $238,000 for a State Government Senior Management Group.
Georgia: (1) The State requested OPM assistance to develop a career executive service. (2) The Certified Public Managers Society and the Training and Staff Development Division recommended that the previously tested performance evaluation system be used in some State agencies.
Kansas: The State Department of Administration will begin a planned assistance program to identify and solve problems with personnel management reform legislation.
Maryland: The State is conducting a three-year demonstration project to test the feasibility and productivity of hiring persons over 70 years old.
Massachusetts: Pending legislation would—(1) reorganize the personnel management structure, (2) allow for delegation of personnel functions to municipal governments, (3) create a career executive service, and (4) eliminate absolute veterans' preference in favor of point allowance on exams.
New Mexico: A pilot incentive pay system has been evaluated. Under this program, 25% of the increased productivity or efficiency savings are returned to the employees. The net savings were $44,521 in one unit and $87,966 in the other. The program will continue with some modifications, expanding from two units to ten units.
Utah: The State, working training with the University of Utah, will certify State government managers in employee motivation, performance appraisal, personnel regulations, communications, budget operations, ethics, and information systems management. Courses will be developed for both mid-level and executive managers.

Local Update

California League of Cities: The League brought 18 organizations together to develop a system to identify duplicating areas, share information, and coordinate future efforts.
California (Long Beach, Manhattan Beach, and San Diego): The three cities have prepared a report designed to cut costs and increase efficiency. San Diego reported a documented savings of $189,075 as a result of improved work methods.
California (local government): The University of California (Irvine), under an IPA grant, will conduct seminars on improving measurement of government services and develop a directory of public service measurement techniques.
Pima County, Arizona: The County will expand the scope of the labor-management committee to include employee motivation and productivity, union-management relations, and expanded use of career ladders to filling vacancies by promoting County employees.
Prince George's County, Maryland: The County has installed a classification and personnel management system. The County is providing data necessary for selection, job and performance evaluation, and staff utilization planning.
Santa Ana, California: The city will train two units of city government to analyze work processes and to develop work measurement standards and performance indicators.
Tulsa, Oklahoma: A merit pay system is in use for managerial and professional employees. Pay increases for longevity, but not cost-of-living adjustments, have been eliminated for these employees. Merit pay increases are tied to organizational and individual performance.
Washington, D.C.: The District is developing an automated system to determine the existence of adverse impact in selection procedures. Using optical test scanners tied to a computerized applicant EEO data file, the system can determine adverse impact for any particular exam or exam subpart.

State and Local Notes are written by William A. Chadwick, Office of Intergovernmental Personnel Programs, OPM.

After/Words

THE NO NEWS DEPARTMENT

Note: Good news is no news. The day-to-day accomplishments of government simply going about its business of serving the people are rarely heard: scandals, mismanagement and bungling make much more interesting copy. The No News Department will report the unexceptional good news of achievement in government. We invite your contributions.

Thirteen Federal employees whose efforts contributed more than $27 million in measurable benefits to taxpayers were honored at the 1979 Presidential Management Improvement Awards ceremony. In addition to tangible benefits, their achievements produced intangible benefits, such as strengthening national defense, improving communications and operations, and increasing services to students and veterans.

Award winner Nicholas Bournias, an auditor with the Office of the Inspector General, Department of Health and Human Services, developed an auditing program for Medicaid which reduced fraud, abuse and errors. Annual benefits to the government of more than $6 million are expected.

Another HHS employee, contract specialist Jackie Muscar, Jr., conducted a recompetition for the guaranteed student loan program's data processing contract. The contract Muscar negotiated will result in benefits to the government of $15 million over the next five years.

Charlotte N. Anderson, a plastics worker at Tinker Air Force Base, Oklahoma, brought savings of more than $1 million to the government by developing new procedures for repairing metal braces on TF30 aircraft engine fiberglass duct fairings.

Gayton Silvestro of the U.S. Army Material Development and Readiness Command in New Jersey improved the technology of propellant usage that has potential application to all artillery and tankfired munitions programs. This procedure will save the government more than $2.3 million by rendering usable 1.8 million pounds of stockpiled propellants.

Also from the Department of the Army, Staff Sergeant Danny A. Wright, a Pershing Missile repairman, designed a special tool to be used during a critical alignment phase of missile jet vane assemblies. The tool reduces damage and time spent in maintaining missile systems throughout the world.

One individual and one group from the Department of Navy were honored. Clayton L. Boyle, a communications management specialist from Honolulu, Hawaii, devised less expensive means of handling intercontinental telephone calls. The change made it possible to close a switchboard facility resulting in first year benefits to the government of over $1 million.

The group award went to Robert S. Flum, Sr., Lionel L. Woolston, Ronald G. Daudelin and Bob Norris, supervisory engineers working on the Anti-Submarine Warfare Systems Project in Washington, D.C. They were recognized for pioneering efforts in developing the basic concept for the submarine rocket.

Two Veterans Administration employees, Yeongchi Wu, a physician, and Harold J. Krick, a corrective therapist, of the Department of Medicine and Surgery in Chicago, Illinois, received a joint award. Their new method for treating below-the-knee amputations greatly improved treatment and recovery from amputations, and substantially benefited the government.

Thomas Creswell, Director of the Aeronautic Center in Oklahoma City, Oklahoma, was honored for improvements that have produced first-year savings of more than $250,000. His efforts resulted in staff reductions, with no loss in production, cost savings and increased energy conservation through the controlled use of government vehicles; and reduced printing, reproduction, and telephone costs.

Presidential Management Improvement Awards were established in 1970 and expanded in 1977 to recognize Federal employees whose suggestions, inventions or special achievements beyond job requirements resulted in tangible benefits to the government of $5,000 or more. To date, approximately 6,000 civilian and military personnel have been recognized for contributions exceeding $697 million.

Rachel Gelin

LETTERS

(Management) is attractive, **useful**, easily read and well worth the time and money required for a first-class publication.... We would like to use the Motivators tabulation for our employee publication. It is a fine thought-starter.

Cody Pfanstiehl,
Director of Public Affairs,
Washington Metropolitan Area Transit Authority

(Management's) approach has proved the management adage that while you must present substance, that substance will not be recognized if not presented with style. The magazine has been truly valuable as we implement sensitive and complex areas of the Reform Act such as Merit Pay.

Carl H. Norton,
Assistant Director for Resources and Systems,
Defense Intelligence Agency

With so many different publications around, I thought this was just another "also ran." However, as I started glancing through it I found each article...had meaningful information that I can do something with.

Charles McCausland,
Brigadier General, USAF,
Los Angeles, CA

Ira Penn now joins the ranks of the very few management authors . . . who debunk the myth of management complexity. Effective management **is** little more than common sense, and management education should focus on helping us to use our common sense effectively rather than creating fiefdoms where only management experts (presumably professors of management education) can function.

Tim Raines,
Department of Housing and Urban Development,
Atlanta, GA

I especially enjoyed your recent article by Mr. Ira Penn. It is quite thought-provoking and totally heretical. Let us not forget what happened to Mr. Copernicus. Please pass my compliments on to him.

Robert Stock,
Associate Director, Executive Seminar Center,
Berkeley, CA

United States
Office of
Personnel
Management

MANAGEMENT

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Management may also be ordered as part of the Management Subscription Series, a package arrangement through which subscribers receive four quarterly issues of **Management**, eight issues of **Performance**, a newsletter focusing on increased productivity; and a copy of the revised **Manager's Handbook**, a 16-chapter, 252-page compendium of Federal Government personnel and management practices. For information on the subscription series, call Debbi Loeb, (202) 632-4704.